

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**

**A G E N D A**

**LIVE STREAM DUE TO COVID-19**

<https://www.youtube.com/channel/UCckhluQu1NDf3FgwoWkpTLQ>

**or**

<https://tinyurl.com/gcvaboard>

**MONDAY, OCTOBER 4, 2021**

**REGULAR SESSION AT THE CONCLUSION OF THE BOARD OF SUPERVISORS MEETING  
LOCATED AT THE GOLDEN LEAF COMMONS**

- I. CALL TO ORDER
- II. APPROVAL OF AGENDA
- III. APPROVAL OF CONSENT AGENDA
  - A. Approval of Minutes – See Attachments – A.
  - B. Warrants – See Attachment – B.
- IV. PUBLIC HEARING – None
- V. ITEMS WITH APPOINTMENTS - None
- VI. OLD BUSINESS – None
- VII. NEW BUSINESS
  - A. USDA Loan for the Jarratt Water Treatment Plant – Resolutions #22-02 and 22-03 – See Attachments – C&D.
  - B. Resolution #22-04 – Authorizing the Refinancing of GCWSA's VRA 2014 Loan – See Attachment – E.
- VIII. ADJOURNMENT

At the Regular Meeting of the Greenville County Water and Sewer Authority, held on Monday, September 20, 2021, with Regular Session beginning at the conclusion of the Board of Supervisors Meeting, in person and via live stream, at the Golden Leaf Commons, 1300 Greenville County Circle, Emporia, Virginia

Board Members Present: William B. Cain, Chair  
Tony M. Conwell, Vice-Chair  
Belinda D. Astrop  
James R. Brown

Staff Members Present: Dr. Charlette T. Woolridge, County Administrator  
Russell O. Slayton, Jr., County Attorney  
Gary Cifers, Assistant County Administrator  
Glen Gibson, Assistant Director, Water and Sewer Authority  
Glenda Gilliam, Administrative Support Assistant II and Recorder of Minutes

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**Re: Call to Order**

Chair Cain called the meeting to order.

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**In Re: Approval of Agenda**

Chair Cain recommended approval of the Agenda with no added items.

Mr. Conwell moved, seconded by Mrs. Astrop, to approve the Agenda as submitted. A roll call vote was taken, as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chair Cain, aye.

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**In Re: Approval of the Consent Agenda**

Chair Cain recommended approval of the Consent Agenda consisting of the following:

- Minutes for the meeting of September 7, 2021.
- Warrants:
  - Approval of Accounts Payable for September 20, 2021, in the amount of \$383,415.85.
  - Approval of Special Projects, in the amount of \$2,251.30.

Mr. Conwell moved, seconded by Mrs. Astrop, to approve the Consent Agenda. A roll call vote was taken, as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chair Cain, aye.

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### **In Re: Public Hearing for Proposed Changes to Water and Sewer Rates**

Chair Cain recommended the Authority convene in Public Hearing to solicit public comments regarding the Proposed Changes to Water and Sewer Rates.

Mr. Conwell moved, seconded by Mrs. Astrop, to go into Public Hearing. A roll call vote was taken, as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chair Cain, aye.

Mr. Glen Gibson, Assistant Director, addressed the Authority and discussed the following regarding the proposed changes to the Water and Sewer Rates:

- The FY 2022 Operating and Capital Budget for Water and Sewer was reviewed previously with the Authority. The rates for the provision of potable water and the treatment and disposal of wastewater must be increased to fund the expenses necessarily and properly attributed to furnishing the services.
- A Water and Sewer Rate Comparison was presented with rates from surrounding localities and the average rates for the Commonwealth of Virginia.
- If the Authority approves the proposed changes to the water and sewer rates, Resolution #WS 21-65 sets forth an increase of 3%, effective October 1, 2021.

Chair Cain asked if anyone was present who wished to speak in favor of or in opposition of the proposed changes to the water and sewer rates. No one spoke.

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### **In Re: Regular Session**

Chair Cain recommended the Authority return to Regular Session.

Mr. Conwell moved, seconded by Mrs. Astrop, to return to Regular Session. A roll call vote was taken as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chair Cain, aye.

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### **In Re: Resolution #WS-21-66 – Increased Water and Sewer Rates**

Mr. Gibson addressed the Authority and read Resolution #WS-21-66 into record. He then requested approval of the resolution.

**RESOLUTION #WS-21-66**  
**INCREASED WATER AND SEWER RATES**

**WHEREAS**, the Greenville County Water and Sewer Authority (GCWSA) has determined that its rates for the provision of potable water and the treatment and disposal of wastewater must be increased to fund expenses necessarily and properly attributable to furnishing the services; and

**WHEREAS**, the most recent water and sewer rate increase for GCWSA was effective October 1, 2020; and

**WHEREAS**, by resolution duly adopted on September 7, 2021, GCWSA set forth its proposed water and sewer rate increase of 3 percent (3%), which increased rates shall become effective on October 1, 2021; and

**WHEREAS**, in compliance with the Code of Virginia, GCWSA published notice of a public hearing to be conducted on September 20, 2021, which notice set forth the proposed schedules of water and sewer rates; and on September 20, 2021, GCWSA duly conducted the public hearing as advertised; and

**WHEREAS**, there will be no increase in the non-user water rates or the non-user sewer rates.

**NOW, THEREFORE, BE RESOLVED** that the Board of Directors of Greenville County Water and Sewer Authority hereby adopts the following increased rates for water and sewer service, which increased rates shall become effective on October 1, 2021:

<b>Water Rates</b>		
<b>Residential</b>	<b><u>Existing</u></b>	<b><u>Proposed</u></b>
First 3,000 gallons per month	\$ 19.41	\$ 19.99
Each additional 1,000 gallons per month	\$ 6.47	\$ 6.66
<b>Commercial</b>		
First 3,000 gallons per month	\$ 20.44	\$ 21.05
Each additional 1,000 gallons per month	\$ 6.82	\$ 7.02
<b>Industrial</b>		
First 3,000 gallons per month	\$ 20.44	\$ 21.05
Each additional 1,000 gallons per month	\$ 6.78	\$ 6.99
<b>Institutional</b>		
First 3,000 gallons per month	\$ 22.64	\$ 23.32
Each additional 1,000 gallons per month	\$ 7.55	\$ 7.77
Non-user rate per month	\$ 6.00	\$ 6.00
Negotiated Rates		+ 3.0%

<b>Sewer Rates</b>		
	<b><u>Existing</u></b>	<b><u>Proposed</u></b>
<b>Residential</b>		
First 4, 000 gallons per month	\$ 36.21	\$ 37.30
Each additional 1,000 gallons per month	\$ 7.25	\$ 7.46
Unmetered sewer supply	\$ 41.35	\$ 42.59
<b>Commercial</b>		
First 4,000 gallons per month	\$ 42.23	\$ 43.50
Each additional 1,000 gallons per month	\$ 8.44	\$ 8.70
<b>Industrial</b>		
First 3,000 gallons per month	\$ 42.23	\$ 43.50
Each additional 1,000 gallons per month	\$ 8.44	\$ 8.70
<b>Institutional</b>		
First 3,000 gallons per month	\$ 46.87	\$ 48.28
Each additional 1,000 gallons per month	\$ 9.37	\$ 9.65
Non-user rate per month	\$ 9.97	\$ 9.97
Negotiated Rates		+ 3.0%

Mr. Conwell moved, seconded by Mrs. Astrop, to approve Resolution #WS-21-66. A roll call vote was taken, as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chair Cain, abstained.

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#### **In Re: Resolution #WS-21-67 – Approval of Fiscal Year 2022 Budget**

Mr. Gibson addressed the Authority and read Resolution #WS-21-67 into record. He then requested approval of the resolution.

#### **RESOLUTION #WS-21-67 APPROVAL OF FISCAL YEAR 2022 BUDGET**

**WHEREAS**, the Recommended Budget for the Fiscal Year 2022 and the Five Year Capital Improvement Plan have been duly presented to the Greenville County Water & Sewer Authority and revisions made.

**NOW, THEREFORE, BE IT RESOLVED** that for informational and fiscal planning purposes, the Greenville County Water and Sewer Authority adopts, as incorporated herein by reference, an Operating Budget – Water of \$2,987,906 and an Operating Budget – Sewer of \$2,915,460.

**NOW, THEREFORE, BE IT RESOLVED** that for informational and fiscal planning purposes, the Greenville County Water and Sewer Authority adopts, as incorporated herein by reference, a Capital Budget – Water of \$1,902,300, a Capital Budget – Sewer of \$146,399 and the Five Year Capital Improvement Plan.

**FURTHER, BE IT RESOLVED**, that no expenditure shall be made or money shall be paid out until an appropriation is made by this governing body.

Mr. Conwell moved, seconded by Mrs. Astrop, to approve Resolution #WS-21-67. A roll call vote was taken, as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chair Cain, aye.

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**In Re: Resolution #WS-21-68 – Reinstating Water and Sewer Disconnections for Non-Payment**

Mr. Gibson addressed the Authority and read Resolution #WS-21-68 into record. He then requested approval of the resolution.

**RESOLUTION #WS-21-68  
REINSTATING WATER AND SEWER DISCONNECTIONS FOR NON-PAYMENT**

**WHEREAS**, the State of Emergency declared in response to Covid-19 expired July 1, 2021 and the moratorium on service disconnection for non-payment is also expired; and

**WHEREAS**, the essential water and sewer services provided by GCWSA are funded through revenues generated from metered sales; and

**WHEREAS**, although service disconnections have been suspended during the moratorium, charges are accruing and customers are responsible for payment of their water and sewer bill; and

**WHEREAS**, as of September 13, 2021, 16% of GCWSA customers are past due.

**IT IS, THEREFORE, HEREBY RESOLVED**, that the Greenville County Water & Sewer Authority approves the following:

- 1) Past due utility payments must be paid by October 5, 2021.
- 2) Service disconnections for non-payment and reconnection fees will resume on October 6, 2021.
- 3) Customers who have suffered a substantial loss of income due to the Covid-19 virus and are unable to pay their utility charges, are encouraged to contact the GCWSA business office, by October 5, 2021 to discuss a potential alternative payment arrangement.

Chair Cain asked what method had been used to assist citizens with past due accounts. Mr. Gibson stated the Authority previous utilized Coronavirus Relief Funds to establish two separate utility relief grant programs to assist customers with utility payments. If the customer was economically impacted and deemed eligible for one of the grant programs, the customer was issued a credit on their utility bill.

Mr. Conwell moved, seconded by Mrs. Astrop, to approve Resolution #WS-21-68. A roll call vote was taken, as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chair Cain, aye.

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**In Re: Resolution #WS-21-69 – Certificate of Resolution – Treasury Services**

Mr. Gibson addressed the Authority and read Resolution #WS-21-69 into record. He then requested approval of the resolution.

**RESOLUTION #WS-21-69  
CERTIFICATE OF RESOLUTIONS - TREASURY SERVICES**

**WHEREAS**, First Community Banks provides banking services to the Greenville County Water & Sewer Authority; and

**WHEREAS**, GCWSA Staff requested that Dr. Woolridge be added as an Administrator and Signer to GCWSA's accounts; and

**WHEREAS**, First Community Bank is requiring Certification of the attached Certificate of Resolutions – Treasury Services; and

**IT IS, THEREFORE, HEREBY RESOLVED**, that the Greenville County Water & Sewer Authority:

- 4) Adopts the Resolutions list in the Certificate of Resolutions.
- 5) Authorizes the Assistant Director to sign the Certificate of Resolutions.

Mr. Conwell moved, seconded by Mrs. Astrop, to approve Resolution #WS-21-69. A roll call vote was taken, as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chair Cain, aye.

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**In Re: Adjournment**

There being no further business to discuss, Mrs. Astrop moved, seconded by Mr. Conwell, to adjourn the meeting. A roll call vote was taken, as follows: Mrs. Astrop, aye; Mr. Brown, aye; Mr. Conwell, aye and Chair Cain, aye.

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William B. Cain, Chair  
Greenville County Water and Sewer Authority

ACCOUNTS PAYABLE LIST				INVOICE	
GREENSVILLE COUNTY WATER				DATE	
DEPT # - 000200 **LIABILITY**				INVOICE#	\$\$\$ PAY \$\$\$
VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	DATE	\$\$\$ PAY \$\$\$
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<p>9/27/2021 FROM DATE- 9/30/2021</p> <p>AP375 TO DATE- 10/04/2021</p> <p>FUND # - 001 ***OPERATING FUND-WATER***</p>					
DEPT # - 000200 **LIABILITY**					
TOWN OF JARRAIT	TAXES ACCURED	U TAX/8-2021		9/01/2021	426.13
CITY OF EMPORIA	TAXES ACCURED	U TAX/8-2021		9/01/2021	133.67
TREASURER OF GREENSVILLE C	TAXES ACCURED	U TAX/8-2021		9/01/2021	8,641.00
TOTAL					9,200.80 *
TOTAL					9,200.80
DEPT # - 010000 **ADMINISTRATION-WATER**					
**LIABILITY**					
BENCHMARK COMMUNITY BANK	PROF.SERVICES:TIME CLOCK	EASYTIME/707578		9/12/2021	2.00
TREASURER OF GREENSVILLE C	PURCHASE SERVICES FROM GREENSV	16040-10/OCT 21		10/01/2021	2,222.22 *
UPS	POSTAGE	0000238106341		8/21/2021	2,222.22 *
VERIZON WIRELESS	TELECOMMUNICATIONS	9887574304		9/02/2021	11.91
RICOH USA INC	LEASE OF EQUIPMENT	35532800		9/10/2021	11.91 *
EDMONDS PRINTING COMPANY	OFFICE SUPPLIES	29738		9/20/2021	32.02 *
AMAZON CAPITAL SERVICES	OFFICE SUPPLIES	19TX-RGJC-JDX4		9/26/2021	144.26 *
GLENDIA JACKSON GILLIAM	OFFICE SUPPLIES	NOTARY PUBLIC		9/17/2021	144.26 *
AMAZON CAPITAL SERVICES	C.O.:COMPUTERS & EQUIPMENT	1HJ7-F1KQ-NL1N		9/11/2021	95.00
TOTAL					14.98
TOTAL					55.00
TOTAL					164.98 *
TOTAL					164.98
TOTAL					199.58 *
TOTAL					199.58
TOTAL					2,776.97
DEPT # - 011000 **AUTHORITY BOARD-WATER**					
**AUTHORITY BOARD-WATER**					
BENCHMARK COMMUNITY BANK	TRAVEL AND TRAINING	CRACKER BARREL		9/20/2021	12.12
CAPITAL ONE	TRAVEL AND TRAINING	TR#02320		9/20/2021	7.52
QUILL CORPORATION	OFFICE SUPPLIES	19345534		9/08/2021	19.64 *
SAM'S CLUB DIRECT	OFFICE SUPPLIES	PEANUT FESTIVAL		9/17/2021	9.87
G'S FLORIST	OFFICE SUPPLIES	1763		8/27/2021	119.76
TOTAL					28.00
TOTAL					157.63 *
TOTAL					177.27
DEPT # - 020000 **UTILITY MAINTENANCE-WATER**					
**UTILITY MAINTENANCE-WATER**					
B&L LAWN SERVICE, LLC	CONTRACTUAL SERVICE:GRASS CUTT	9046		9/23/2021	1,395.60
TOTAL					1,395.60 *



ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 020000 \*\*UTILITY MAINTENANCE-WATER\*\*

9/27/2021 FROM DATE- 9/30/2021  
AP375 TO DATE- 10/04/2021  
FUND # - 001 \*\*\*OPERATING EXPENDITURES\*\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$	PAY	\$\$
MECKLENBURG ELECTRIC COOPE		ELECTRICAL SERVICES	4393600500/9-21	9/14/2021		29.98	
MECKLENBURG ELECTRIC COOPE		ELECTRICAL SERVICES	9000005178/9-21	9/20/2021		1,444.55	
DOMINION ENERGY VIRGINIA		ELECTRICAL SERVICES	3031885001/9-21	9/03/2021		7.82	
VERIZON		TELECOMMUNICATIONS	336-1587/9-21	9/18/2021		1,482.35	*
VERIZON WIRELESS		TELECOMMUNICATIONS	9887574304	9/02/2021		49.40	
CINTAS CORPORATION #143		UNIFORM RENTAL	4096100604	9/16/2021		99.48	*
CINTAS CORPORATION #143		UNIFORM RENTAL	4096774918	9/23/2021		148.88	*
WILLIAM DANIELS		TRAVEL AND TRAINING	MILEAGE/9-2021	9/13/2021		23.55	
CHARLES A. SABO		TRAVEL AND TRAINING	MILEAGE/5-2021	5/31/2021		38.66	*
CHARLES A. SABO		TRAVEL AND TRAINING	MILEAGE/9-2021	9/06/2021		52.21	*
COLTON LYNCH		TRAVEL AND TRAINING	MILEAGE/9-2021	9/06/2021		89.60	
KENDALL WRIGHT		TRAVEL AND TRAINING	MILEAGE/9-2021	9/06/2021		13.44	
AMAZON CAPITAL SERVICES		OFFICE SUPPLIES	19TX-RGJC-KNRY	9/26/2021		32.26	
VULCAN CONSTRUCTION MATERI		REPAIR & MAINTENANCE SUPPLIES	41839580	9/15/2021		29.12	
ELECTRICAL EQUIPMENT COMPA		REPAIR & MAINTENANCE SUPPLIES	4277438-00	9/16/2021		32.48	*
WATER GUARD, INC		CHEMICALS	0295876-IN	9/22/2021		196.90	*
						39.60	*
						1,122.89	
						631.19	
						1,754.08	*
						396.00	*
						396.00	*
						5,475.62	

TOTAL

DEPT # - 022000 \*\*WATER TREATMENT - JARRATT\*\*

JAMES R REED & ASSOC INC	DCIS	LABORATORY SERVICES	2109023	9/10/2021		925.00	
DCIS		LABORATORY SERVICES	73707	9/08/2021		1,370.23	*
DCIS		LAB.SERVICES:REST AREA	73705	9/08/2021		2,295.23	*
DCIS		LAB.SERVICES:ARMORY	73703	9/08/2021		121.50	*
CINTAS CORPORATION #143		REPAIR & MAINTENANCE SERVICES	4096100702	9/16/2021		20.25	*
CINTAS CORPORATION #143		REPAIR & MAINTENANCE SERVICES	4096774982	9/23/2021		20.25	*
FIDELITY POWER SYSTEMS		MAINTENANCE CONTRACTS	FPS0070513	9/07/2021		10.51	
GRANITE TELECOMMUNICATION		TELECOMMUNICATIONS	531404522	9/01/2021		21.02	*
VERIZON WIRELESS		TELECOMMUNICATIONS	9887574304	9/02/2021		851.00	*
TOWN OF JARRATT		LEASE:FACILITIES (7-2023)	LEASE/OCT 2021	10/01/2021		851.00	*
CINTAS CORPORATION #143		UNIFORM RENTAL	4096100702	9/16/2021		155.38	*
CINTAS CORPORATION #143		UNIFORM RENTAL	4096774982	9/23/2021		40.07	*
						135.45	*
						2,299.00	*
						2,299.00	*
						41.79	
						41.79	*
						83.58	*

9/27/2021 FROM DATE- 9/30/2021  
AP375 TO DATE- 10/04/2021  
FUND # - 001 \*\*\*OPERATING EXPENDITURES\*\*\*

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 022000 \*\*WATER TREATMENT - JARRAIT\*\*

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$ PAY \$\$
STAPLES BUSINESS CREDIT			7339460165-0-1	9/15/2021	136.65
	OFFICE SUPPLIES				136.65 *
HACH COMPANY			12643842	9/17/2021	218.90
HACH COMPANY			12649234	9/21/2021	218.90
COLONIAL SCIENTIFIC, INC			INV0191337	9/16/2021	135.65
USA BLUEBOOK			736208	9/22/2021	27.91
					601.36 *
COMMONWEALTH ENGINEERING &			39748	9/14/2021	925.00
	REPAIR & MAINTENANCE SUPPLIES				925.00 *
			0295377-IN	9/09/2021	500.00
WATER GUARD, INC			0295594-IN	9/15/2021	572.00
WATER GUARD, INC			1800387704 CM	1/05/2021	160.00-
UNIVAR SOLUTIONS			49445879	9/13/2021	704.00
UNIVAR SOLUTIONS			4947635	9/13/2021	1,332.00
UNIVAR SOLUTIONS			49450478	9/14/2021	2,016.00
UNIVAR SOLUTIONS			49450479	9/14/2021	876.00
					5,840.00 *
					13,390.04
				TOTAL	

DEPT # - 023000 \*\*SKIPPERS WELL SYSTEM\*\*

**SKIPPERS WELL SYSTEM**					
LABORATORY SERVICES					
DCLS					
			73708	9/08/2021	253.95 *
					253.95
GRANITE TELECOMMUNICATION					
TELECOMMUNICATIONS			531404522	9/01/2021	55.52 *
					55.52
TOTAL					309.47

DEPT # - 024000 \*\*JACKSON FEILD HOME WATER SYSTEM\*\*

**JACKSON FEILD HOME WATER SYSTEM**			
	LABORATORY SERVICES	73706	9/08/2021
DCLS			60.75 *
			60.75 *
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS	531404522	9/01/2021
			59.87
			59.87 *
		TOTAL	120.62
		FUND TOTAL	31,450.79

9/27/2021  
AP375  
FUND # - 002

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 010100 \*\*ADMINISTRATION-SEWER\*\*

VENDOR NAME  
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CHARGE TO  
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INVOICE  
DATE  
-----  
INVOICE#  
-----  
DESCRIPTION  
-----  
DEPT # - 010100 \*\*ADMINISTRATION-SEWER\*\*

\$\$\$ PAY \$\$\$  
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\*\*ADMINISTRATION-SEWER\*\*  
TROUTMAN PEPPER HAMILTON S PROF.SERVICES:LEGAL 30218360 9/13/2021 562.50 \*  
BENCHMARK COMMUNITY BANK PROF.SERVICES:TIME CLOCK EASYTIME/707578 9/12/2021 562.50 \*  
TREASURER OF GREENSVILLE C PURCHASE SERVICES FROM GREENSV 16040-10/OCT 21 10/01/2021 3.00 \*  
VERIZON WIRELESS TELECOMMUNICATIONS 9887574304 9/02/2021 3,333.33 \*  
RICOH USA INC LEASE OF EQUIPMENT 35532800 9/10/2021 3,333.33 \*  
EDMONDS PRINTING COMPANY OFFICE SUPPLIES 29738 9/20/2021 48.03 \*  
AMAZON CAPITAL SERVICES C.O.:COMPUTERS & EQUIPMENT 1HJ7-FLKQ-NLTN 9/11/2021 48.03 \*  
TOTAL 4,605.12

DEPT # - 011100 \*\*AUTHORITY BOARD-SEWER\*\*

\*\*AUTHORITY BOARD-SEWER\*\*  
BENCHMARK COMMUNITY BANK TRAVEL AND TRAINING 9/20/2021 18.19  
CAPITAL ONE TRAVEL AND TRAINING TR#02320 9/20/2021 11.27  
QUILL CORPORATION OFFICE SUPPLIES 9/08/2021 29.46 \*  
SAM'S CLUB DIRECT OFFICE SUPPLIES 19345534 9/17/2021 14.81  
G'S FLORIST OFFICE SUPPLIES 1763 9/27/2021 179.84  
TOTAL 236.45 \*  
265.91

DEPT # - 020100 \*\*UTILITY MAINTENANCE-SEWER\*\*

\*\*UTILITY MAINTENANCE-SEWER\*\*  
BGL LAWN SERVICE, LLC CONTRACTUAL SERVICE:GRASS CUTT 9/23/2021 2,093.40 \*  
MECKLENBURG ELECTRIC COOPE ELECTRICAL SERVICES 9/13/2021 72.14  
MECKLENBURG ELECTRIC COOPE ELECTRICAL SERVICES 9/13/2021 95.67  
MECKLENBURG ELECTRIC COOPE ELECTRICAL SERVICES 9/14/2021 35.43  
MECKLENBURG ELECTRIC COOPE ELECTRICAL SERVICES 9/20/2021 460.89  
DOMINION ENERGY VIRGINIA ELECTRICAL SERVICES 9/09/2021 28.16  
DOMINION ENERGY VIRGINIA ELECTRICAL SERVICES 8/30/2021 70.97  
DOMINION ENERGY VIRGINIA ELECTRICAL SERVICES 8/26/2021 9.68  
DOMINION ENERGY VIRGINIA ELECTRICAL SERVICES 8/26/2021 14.39  
DOMINION ENERGY VIRGINIA ELECTRICAL SERVICES 9/09/2021 62.69  
DOMINION ENERGY VIRGINIA ELECTRICAL SERVICES 8/30/2021 68.16  
DOMINION ENERGY VIRGINIA ELECTRICAL SERVICES 8/31/2021 30.27

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 020100 \*\*UTILITY MAINTENANCE-SEWER\*\*

9/27/2021 FROM DATE- 9/30/2021  
AP375 TO DATE- 10/04/2021  
FUND # - 002

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$\$ PAY \$\$\$
Dominion Energy Virginia	ELECTRICAL SERVICES		6960860002/8-21	9/09/2021	33.85
Dominion Energy Virginia	ELECTRICAL SERVICES		7061950312/8-21	8/30/2021	277.39
					1,259.69 *
Verizon	TELECOMMUNICATIONS		336-1587/9-21	9/18/2021	49.40
Verizon	TELECOMMUNICATIONS		634-9713/9-21	9/21/2021	24.95
Verizon	TELECOMMUNICATIONS		634-9826/9-21	9/12/2021	24.70
Granite Telecommunication	TELECOMMUNICATIONS		531404522	9/01/2021	50.82
Granite Telecommunication	TELECOMMUNICATIONS		531404522	9/01/2021	50.82
Granite Telecommunication	TELECOMMUNICATIONS		531404522	9/01/2021	225.23
Granite Telecommunication	TELECOMMUNICATIONS		531404522	9/01/2021	64.55
Verizon Wireless	TELECOMMUNICATIONS		9887574304	9/02/2021	149.23
Verizon Wireless	TELECOMMUNICATIONS		9887574304	9/02/2021	40.01
					679.71 *
Cintas Corporation #143	UNIFORM RENTAL		4096100604	9/16/2021	35.32
Cintas Corporation #143	UNIFORM RENTAL		4096774918	9/23/2021	58.00
					93.32 *
Charles A. Sabo	TRAVEL AND TRAINING		MILEAGE/5-2021	5/31/2021	20.16
Charles A. Sabo	TRAVEL AND TRAINING		MILEAGE/9-2021	9/06/2021	48.38
Colton Lynch	TRAVEL AND TRAINING		MILEAGE/9-2021	9/06/2021	76.16
Kendall Wright	TRAVEL AND TRAINING		MILEAGE/9-2021	9/06/2021	40.32
					185.02 *
Amazon Capital Services	OFFICE SUPPLIES		19TX-RGJC-KNRY	9/26/2021	59.40
					59.40 *
Electrical Equipment Compa	REPAIR & MAINTENANCE SUPPLIES		4277440-00	9/07/2021	374.77
Electrical Equipment Compa	REPAIR & MAINTENANCE SUPPLIES		4278117-00	9/02/2021	16.70
					391.47 *
			TOTAL		4,762.01

DEPT # - 031000 \*\*FALLING RUN SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC	**FALLING RUN SEWAGE TREAT. PLANT**		2109021	9/10/2021	197.00
	LABORATORY SERVICES				197.00 *
Water Guard, Inc	CHEMICALS		0295375-IN	9/09/2021	360.00
					360.00 *
			TOTAL		557.00

DEPT # - 032000 \*\*THREE CREEK SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC	**THREE CREEK SEWAGE TREAT. PLANT**		2109024	9/10/2021	1,206.00
	LABORATORY SERVICES				1,206.00 *
BENCHMARK COMMUNITY BANK	PROF.SERVICES:TIME CLOCK		EASYTIME/707578	9/12/2021	1.00
					1.00 *
MECKLENBURG ELECTRIC COOPE	ELECTRICAL SERVICES		3883900100/9-21	9/13/2021	5,474.19
Verizon Wireless	TELECOMMUNICATIONS		9887574304	9/02/2021	5,474.19 *
					40.51
					40.51 *

ACCOUNTS PAYABLE LIST  
GREENSVILLE COUNTY WATER  
DEPT # - 032000 \*\*THREE CREEK SEWAGE TREAT. PLANT\*\*

FROM DATE- 9/30/2021  
TO DATE- 10/04/2021  
FUND # - 002

VENDOR NAME	CHARGE TO	DESCRIPTION	INVOICE#	INVOICE DATE	\$\$	PAY	\$\$
CINTAS CORPORATION #143	UNIFORM RENTAL		4096100593	9/16/2021	44.43		
CINTAS CORPORATION #143	UNIFORM RENTAL		4096774874	9/23/2021	44.43		
BENCHMARK COMMUNITY BANK	TRAVEL AND TRAINING		OWPSACSTATE/DM	9/14/2021	88.86	*	
BRAME SPECIALTY CO., INC.	HOUSEKEEPING SUPPLIES		7669877	9/14/2021	193.00	*	
SHARE CORPORATION	REPAIR & MAINTENANCE SUPPLIES		177846	8/27/2021	303.51	*	
GARRISON MINERALS LLC	CHEMICALS		2021-0966	9/15/2021	303.51	*	
GARRISON MINERALS LLC	CHEMICALS		2021-0971	7/01/2021	785.71	*	
SLUDGE PROCESS ENHANCEMENT	CHEMICALS		20210209-GCA	9/22/2021	8,038.23		
UNIVAR SOLUTIONS	CHEMICALS		1800387693 CM	12/09/2020	7,654.46		
UNIVAR SOLUTIONS	CHEMICALS		49470383	9/21/2021	3,975.00		
PARKER OIL CO INC	HEAVY EQUIPMENT SUPPLIES		824712	9/03/2021	800.00		
					1,566.00	*	
					20,433.69	*	
					529.34	*	
					29,055.81		

DEPT # - 034000 \*\*JARRATT SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC	LABORATORY SERVICES		2109020	9/10/2021	249.00	*	
DOMINION ENERGY VIRGINIA	ELECTRICAL SERVICES		3000835003/8-21	8/31/2021	249.00	*	
GRANITE TELECOMMUNICATION	TELECOMMUNICATIONS		531404522	9/01/2021	1,186.66	*	
WATER GUARD, INC	CHEMICALS		0295376-IN	9/09/2021	1,186.66	*	
WATER GUARD, INC	CHEMICALS		0295875-IN	9/22/2021	60.77	*	
					60.77	*	
					376.20		
					560.00	*	
					936.20	*	
					2,432.63		

DEPT # - 035000 \*\*SKIPPERS SEWAGE TREAT. PLANT\*\*

JAMES R REED & ASSOC INC	LABORATORY SERVICES		2109022	9/10/2021	379.00	*	
FIDELITY POWER SYSTEMS	REPAIRS FOR LIGHTNING DAMAGE		FPS0070534	9/08/2021	379.00	*	
CLEARWATER INC	REPAIRS FOR LIGHTNING DAMAGE		48755	9/16/2021	1,042.00		
DORSETT CONTROLS	REPAIRS FOR LIGHTNING DAMAGE		W14334	9/20/2021	650.00		
WAYNE COOKE ELECTRIC INC	REPAIRS FOR LIGHTNING DAMAGE		21-12557	9/13/2021	9,292.40		
AQUA-AEROBIC SYSTEMS INC	REPAIRS FOR LIGHTNING DAMAGE		1029981	9/02/2021	332.50		
AQUA-AEROBIC SYSTEMS INC	REPAIRS FOR LIGHTNING DAMAGE		1029982	9/02/2021	2,193.17		
AQUA-AEROBIC SYSTEMS INC	REPAIRS FOR LIGHTNING DAMAGE		1030090	9/13/2021	3,142.51		
					1,800.00	*	
					18,452.58	*	
					18,831.58		
					60,510.06		
					91,960.85		

Debbie Whiteley Finance Manager 9/27/2021

PAGE 1

9/27/2021 FROM DATE- 9/30/2021  
AP375 TO DATE- 10/04/2021  
FUND # - 001 \*\*\*\*\*EXPENDITURES\*\*\*\*

ACCOUNTS PAYABLE LIST  
GREENSVILLE CO W&S AUTH  
DEPT # - 070000 \*\*PHASE I & II:ADMINISTRATION\*\*

[illegible]

DEPT # - 07000 \*\*PHASE I &amp; II:ADMINISTRATION\*\*

\*\*\*PHASE I & II:ADMINISTRATION\*\*\*  
RANDOLPH, BOYD, CHERRY AND PROF.SERVICES:LEGAL

6/16/2021	9/30/2021	4,710.75
		4,710.75 *
	TOTAL	4,710.75

FUND TOTAL	4,710.75
TOTAL DUE	4,710.75

Signed \_\_\_\_\_ Title Finance Manager Date 9/27/2021

**LOAN RESOLUTION #WS-22-02**  
(Public Bodies)

A RESOLUTION OF THE Board of Directors

OF THE Greensville County Water And Sewer Authority

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Jarratt Water Treatment Plant

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Greensville Co. Water And Sewer Authority

*(Public Body)*

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Nine Million Five Hundred Thousand & 00/100

pursuant to the provisions of Va Code 15.2; and

**WHEREAS**, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 0.00

under the terms offered by the Government; that the Executive Director

and \_\_\_\_\_ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Absent \_\_\_\_\_

IN WITNESS WHEREOF, the Board of Directors of the

Greenville Co. Water & Sewer Authority has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this \_\_\_\_\_, \_\_\_\_\_ day of \_\_\_\_\_

(SEAL)

By \_\_\_\_\_

Attest:

Title Chairman, Board of Directors

\_\_\_\_\_  
Title \_\_\_\_\_



**LOAN RESOLUTION #WS-22-03**  
(Public Bodies)

A RESOLUTION OF THE Board of Directors

OF THE Greensville County Water And Sewer Authority

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Jarratt Water Treatment Plant

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Greensville County Water And Sewer Authority

*(Public Body)*

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Nine Million Nine Hundred Eighty-Eight Thousand & 00/100

pursuant to the provisions of Va Code 15.2; and

**WHEREAS**, the Association intends to obtain assistance from the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 0.00

under the terms offered by the Government; that the Executive Director

and \_\_\_\_\_ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas \_\_\_\_\_ Nays \_\_\_\_\_ Absent \_\_\_\_\_

IN WITNESS WHEREOF, the Board of Directors of the

Greensville County Water And Sewer Authority has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this \_\_\_\_\_, \_\_\_\_\_ day of \_\_\_\_\_

(SEAL)

By \_\_\_\_\_

Attest:

Title Chairman, Board of Directors

\_\_\_\_\_  
Title \_\_\_\_\_

**RESOLUTION #WS-22-04 AUTHORIZING THE ISSUANCE, SALE AND AWARD OF A WATER AND SEWER SYSTEM REVENUE REFUNDING BOND, SERIES 2021, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,300,000 OF THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF**

**WHEREAS**, the Greenville County Water and Sewer Authority (the "Authority") is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) (the "Act") by the Board of Supervisors of Greenville County, Virginia (the "County"), and presently owns, operates and maintains water and sewer facilities to provide for the water and sewer needs of the residents and businesses of the County; and

**WHEREAS**, the Board of the Authority (the "Authority Board") desires to refund all or a portion of the outstanding balance of its \$2,540,000 Water and Sewer System Revenue and Refunding Bond, Series 2014 (the "Refunded Bond"), that financed (a) (i) acquisition of land for the construction of a raw water reservoir, new intake and pump station on the Nottoway River, (ii) improvements to the pump station and sludge dewatering system at Jarratt Water Treatment Plant, (iii) replacement of the pump station at High Hills, (iv) replacement of the control panel at Falling Run Wastewater Treatment Plant, (v) upgrades to various manholes, (vi) connection of Well #4, (vii) acquisition of various equipment, and (viii) other related and ancillary improvements to facilities of the Authority's water and sewer system (the "System"); (b) refunding the outstanding balance of the Authority's \$515,000 Water and Sewer System Revenue Bond, Series of 2004; and (c) a debt service reserve fund, together with issuance costs in connection therewith; and

**WHEREAS**, it is in the best interests of the Authority and the residents of its service areas to issue its water and sewer system revenue refunding bond (the "2021 Bond") to be secured by a pledge of the revenues of the System in the maximum principal amount of \$1,300,000 to refinance all or a portion of the Refunded Bond in order to realize debt service savings; and

**WHEREAS**, the Virginia Resources Authority ("VRA") has indicated its willingness to purchase the 2021 Bond from the proceeds of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2021C (Taxable) (the "VRA Bonds") and to provide a portion of the proceeds thereof to the Authority to refund the Refunded Bond and pay certain costs of issuance of the 2021 Bond, in accordance with the terms of a Local Bond Sale and Financing Agreement to be dated a date specified by VRA, between VRA and the Authority (the "Financing Agreement"), the form of which has been presented to this meeting; and

**WHEREAS**, VRA has advised the Authority that VRA's objective is to pay the Authority a purchase price for the 2021 Bond which, in VRA's judgment, reflects the market

value of the 2021 Bond (the "Purchase Price Objective"), taking into consideration such factors as the maximum authorized par amount of the 2021 Bond, the Targeted Savings (as hereinafter defined), the purchase price to be received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of the underwriters' discount and other costs incurred by VRA) and other market conditions relating to the sale of the VRA Bonds; and

**WHEREAS**, the Authority Board has requested the County to facilitate the issuance and sale of the 2021 Bond by entering into a Support Agreement to be dated a date specified by VRA, among the Authority, the County and VRA (the "Support Agreement"), the form of which has been presented to this meeting; and

**NOW, THEREFORE, BE IT RESOLVED BY THE GREENSVILLE COUNTY WATER AND SEWER AUTHORITY:**

**1. Authorization of Bond and Use of Proceeds.** Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Act, the Authority Board authorizes the issuance and sale to VRA of the 2021 Bond of the Authority to finance the refunding of all or a portion of the Refunded Bond and to pay issuance and financing costs incurred in issuing the 2021 Bond. The 2021 Bond shall be delivered to or upon the order of VRA upon VRA's payment of the purchase price therefor.

**2. Authorization of Financing Agreement and Support Agreement.** The forms of the Financing Agreement and the Support Agreement submitted to this meeting are approved. The Chairman, Vice Chairman and Director of the Authority, any of whom may act, are authorized to execute the Financing Agreement and the Support Agreement in substantially such forms, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman, Vice Chairman and/or Director, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the Authority's 2021 Bond to VRA shall be upon the terms and conditions of the Financing Agreement. The proceeds of the 2021 Bond shall be applied in the manner set forth in the Financing Agreement. All capitalized terms used but not otherwise defined herein shall have the same meaning as set forth in the Financing Agreement.

**3. Bond Details.** The 2021 Bond shall be issued as a single, registered bond and shall be designated "Water and Sewer System Revenue Refunding Bond, Series 2021", shall be numbered R-1, shall be in a principal amount not to exceed \$1,300,000 and shall mature no later than December 31, 2034. The Authority authorizes the issuance and sale of the 2021 Bond to VRA. The final pricing terms contained in the Financing Agreement shall be determined by VRA subject to VRA's Purchase Price Objective and the market conditions described in the Recitals hereof; provided, however, that the 2021 Bond shall have a "true" interest cost not to exceed 3.0% (exclusive of "Supplemental Interest" as provided in the Financing Agreement), and shall achieve an aggregate net present value debt service savings of not less than 3.0% of the principal amount of the Refunded Bond to be refunded (the "Targeted Savings"). Subject to the preceding terms, the Authority further authorizes the Chairman, Vice Chairman or Director of the Authority, any of whom may act, to accept the final terms presented by VRA including

(a) the final principal amount of the 2021 Bond, (b) the interest rate, and (c) the amortization schedule (including the principal and interest installment dates and amounts) for the 2021 Bond all in accordance with the provisions hereof. The actions of the Chairman, Vice Chairman and/or Director of the Authority in accepting the final terms of the 2021 Bond shall be conclusive, and no further action shall be necessary on the part of the Authority Board.

As set forth in the Financing Agreement, the Authority agrees to pay such "Supplemental Interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish the VRA Reserve. The principal of and premium, if any, and interest on the 2021 Bond shall be payable in lawful money of the United States of America.

**4. Redemption Provisions of 2021 Bond.** The 2021 Bond may not be defeased, redeemed, prepaid or refunded except upon the terms set forth in the Financing Agreement.

**5. Execution and Form of 2021 Bond.** The 2021 Bond shall be executed by the Chairman or Vice Chairman of the Authority and attested by the Director or Secretary-Treasurer of the Authority and its seal shall be affixed thereon. The 2021 Bond shall be in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions, and changes not inconsistent with this Resolution as may be approved by the officers signing the 2021 Bond, whose approval shall be evidenced conclusively by the execution and delivery of the 2021 Bond.

**6. Pledge of Revenues.** Principal of and premium, if any, and interest on the 2021 Bond shall be payable solely from the Net Revenues Available for Debt Service and other sources which are pledged therefor herein and in the Financing Agreement, and nothing in the Financing Agreement, the 2021 Bond or in this Resolution shall be deemed to create or constitute an indebtedness of or a pledge of faith and credit of the Commonwealth of Virginia or of any county, city, town or other political subdivision of the Commonwealth, including the Authority and the County. The Authority has no taxing power. It is intended that such pledge shall be on a parity with the similar pledge securing the Authority's outstanding water and sewer system revenue bonds, including its \$235,629 Water and Sewer System Revenue Bond, Series 2003, \$2,540,000 Water and Sewer System Revenue Refunding Bond, Series 2014 (as and if required), \$2,025,000 Water and Sewer System Revenue Bond, Series 2016A, \$9,800,000 Water Revenue Bond, Series 2018A, \$6,790,000 Water and Sewer System Revenue Bond, Series 2019A \$7,000,000 Water Revenue Bond, Series 2020A, and \$3,620,000 Water and Sewer System Revenue Refunding Bond, Series 2020B (collectively, the "Existing Parity Bonds").

It is hereby covenanted and agreed with the holder of the 2021 Bond that so long as the 2021 Bond is outstanding and unpaid, the Authority shall fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by its System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues Available for Debt Service will equal at least 115% of the amount required during the Fiscal Year to pay the principal of and interest on the 2021 Bond and all other Parity Bonds.

If, for any reason, the Net Revenues Available for Debt Service are insufficient to satisfy the foregoing covenant, the Authority shall (i) on its demand, pay to VRA a rate maintenance

penalty fee in an amount of \$5,000, and (ii) within 90 days adjust and increase its rates, fees and other charges or reduce its Operation and Maintenance Expenses so as to provide sufficient Net Revenues Available for Debt Service to satisfy such requirement.

The 2021 Bond shall also be secured by the Local Debt Service Reserve Fund on the terms set forth in Section 6.5 of the Financing Agreement.

**7. Preparation of Printed 2021 Bond.** The Authority shall initially issue the 2021 Bond in typewritten form. Upon request of the registered owner and upon presentation of the 2021 Bond at the office of the Registrar (as hereinafter defined), the Authority shall arrange to have prepared, executed and delivered in exchange as soon as practicable the 2021 Bond in printed form in an aggregate principal amount equal to the unpaid principal of the 2021 Bond in typewritten form, in denominations of \$5,000 and multiples thereof, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed 2021 Bond may be executed by manual or facsimile signature of the Chairman or Vice Chairman of the Authority and attested by the manual or facsimile signature of the Director or Secretary-Treasurer of the Authority and a facsimile of its seal printed thereon; provided, however, that if both such signatures are facsimiles, no 2021 Bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten 2021 Bond surrendered in any such exchange shall be canceled.

**8. Registration and Transfer of 2021 Bond.** The Authority appoints its Secretary-Treasurer as paying agent and registrar (the "Registrar") for the 2021 Bond. If deemed to be in its best interest, the Authority may at any time appoint a qualified bank or trust company as successor Registrar. Upon surrender of the 2021 Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute, and the Registrar shall authenticate and deliver in exchange, a new 2021 Bond or 2021 Bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner of the 2021 Bond as the person or entity exclusively entitled to payment of principal thereof, and premium, if any, and interest thereon, and the exercise of all other rights and powers of the owner, except that payments shall be paid to the person or entity shown as owner on the registration books on the 15<sup>th</sup> day of the month preceding each such payment date.

**9. Mutilated, Lost or Destroyed Bond.** If the 2021 Bond has been mutilated, lost or destroyed, the Authority shall execute and deliver a new 2021 Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated 2021 Bond or in lieu of and in substitution for such lost or destroyed 2021 Bond; provided, however, that the Authority shall so execute and deliver only if the registered owner has paid the reasonable expenses and

charges of the Authority in connection therewith and, in the case of a lost or destroyed 2021 Bond, (a) has filed with the Authority evidence satisfactory to the Authority that such 2021 Bond was lost or destroyed, and (b) has furnished to the Authority satisfactory indemnity.

**10. Tax Compliance Agreement.** To the extent applicable if the 2021 Bond is issued on a "tax advantaged" basis, such officers of the Authority as may be requested are authorized and directed to execute and deliver a nonarbitrage certificate and tax compliance agreement or any related document in a form not inconsistent with this Resolution as may be approved by the officers of the Authority executing such document, whose approval shall be evidenced conclusively by the execution and delivery thereof, setting forth the expected use and investment of the proceeds of the 2021 Bond and containing such covenants as may be necessary in order for the VRA Bonds to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds."

**11. Official Statement.** The Authority Board authorizes and consents to the inclusion of information with respect to the Authority contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds.

**12. Other Actions.** All other actions of officers of the Authority in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the 2021 Bond are ratified, approved and confirmed. The officers of the Authority are authorized and directed to execute and deliver all certificates and other instruments, including but not limited to escrow agreements, considered necessary or desirable in connection with the refunding of the Refunded Bond and the issuance, sale and delivery of the 2021 Bond pursuant to this Resolution, the Financing Agreement and the Support Agreement. The officers of the Authority are authorized and directed to take all proper steps to cause the refunded portions of the Refunded Bond to be defeased as of the date the 2021 Bond is issued. The Chairman, Vice Chairman and the Director of the Authority, any of whom may act, are authorized to approve changes to the Refunded Bond and related financing documents, including the execution and delivery of an allonge to the Refunded Bond and amendments to the financing agreements with respect to the Refunded Bond, between the Authority and VRA, as may be necessary to provide for the portion of the Refunded Bond not to be defeased.

**13. Limitation of Liability of Officials of the Authority.** No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the Authority in his or her individual capacity. No officer of the Authority executing the 2021 Bond shall be liable personally on the 2021 Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the Authority shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

**14. Selection of Bond Counsel.** The Authority hereby appoints the law firm of Kaufman & Canoles, a Professional Corporation, Richmond, Virginia, as bond counsel to supervise the proceedings and approve the issuance of the 2021 Bond.

**15. Effective Date.** This Resolution shall become effective immediately. The Director of the Authority is hereby authorized and directed to file a certified copy of this Resolution in the office of the Authority and with the Clerk of the Circuit Court of Greenville County, Virginia.



### CERTIFICATION

The undersigned Secretary-Treasurer of the Greenville County Water and Sewer Authority hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution adopted by the Greenville County Water and Sewer Authority at a meeting duly called and held on October 4, 2021, with the members present and absent and voting on the Resolution as set forth below, that such meeting was duly convened and held in all respects in accordance with law, and that the foregoing Resolution has not been repealed, revoked, rescinded or amended.

Member

Present/Absent

Vote

WITNESS, my hand and the seal of the Greenville County Water and Sewer Authority,  
this \_\_\_\_ day of October, 2021.

**GREENSVILLE COUNTY WATER AND  
SEWER AUTHORITY**

By: \_\_\_\_\_  
Secretary-Treasurer

EXHIBIT A  
FORM OF 2021 Bond

REGISTERED

R-1

\_\_\_\_\_, 2021

UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA  
GREENSVILLE COUNTY WATER AND SEWER AUTHORITY  
WATER AND SEWER SYSTEM REVENUE REFUNDING BOND  
SERIES 2021

The **Greensville County Water and Sewer Authority** (the "Authority"), a political subdivision of the Commonwealth of Virginia, for value received, acknowledges itself indebted and promises to pay to **Virginia Resources Authority** ("VRA"), or registered assigns or legal representative, under a Master Indenture of Trust dated as of December 1, 2003, as supplemented and amended and as further supplemented by a Fifty-Second Supplemental Series Indenture of Trust dated as of November 1, 2021, between **VRA** and **U.S. Bank National Association**, as trustee (the "Trustee"), solely from the sources hereinafter described and pledged to the payment of this bond the principal sum of \_\_\_\_\_ AND NO/100 (\$\_\_\_\_\_). Principal of this bond shall be payable in annual installments in the amounts and on the dates set forth in Schedule I attached hereto. Interest on this bond shall be payable on each April 1 and October 1, commencing \_\_\_\_\_, 202\_, computed on the basis of a 360-day year of twelve 30-day months at the rates set forth in Schedule I.

Subject to the provisions of the Local Bond Sale and Financing Agreement dated as of October 4, 2021 (the "Financing Agreement"), between VRA and the Authority, so long as this bond is held by VRA or the Trustee, interest is payable by check or draft mailed to the registered owner of this bond at the address that appears on the 15th day of the month preceding each interest payment date on the registration books kept by the Secretary-Treasurer of the Authority, who has been appointed registrar and paying agent, or any successor bank or trust company (the "Registrar"). Principal of and premium, if any, and interest on this bond shall be payable in lawful money of the United States of America. In case the maturity date of the principal of this bond or the date fixed for the payment of interest on or the redemption of this bond shall not be a Business Day (as defined below), then payment of principal, premium, if any, and interest need not be made on such date, but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day, no additional interest shall accrue for the period after such maturity date or date fixed for the payment of interest or redemption. "Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia.

This bond was authorized by a resolution adopted by the Authority's governing body on October 4, 2021 (the "Resolution"), and is issued pursuant to the Constitution and statutes of the

Commonwealth of Virginia, including the Virginia Water and Waste Authorities Act, and the Financing Agreement. Proceeds of this bond will be used to refund all or a portion of the outstanding balance of its \$2,540,000 Water and Sewer System Revenue and Refunding Bond, Series 2014, that financed (a) (i) acquisition of land for the construction of a raw water reservoir, new intake and pump station on the Nottoway River, (ii) improvements to the pump station and sludge dewatering system at Jarratt Water Treatment Plant, (iii) replacement of the pump station at High Hills, (iv) replacement of the control panel at Falling Run Wastewater Treatment Plant, (v) upgrades to various manholes, (vi) connection of Well #4, (vii) acquisition of various equipment, and (viii) other related and ancillary improvements to facilities of the Authority's water and sewer system (the "System"); (b) refunding the outstanding balance of the Authority's \$515,000 Water and Sewer System Revenue Bond, Series of 2004; and (c) a debt service reserve fund, together with issuance costs in connection therewith.

This bond is a limited obligation of the Authority and is payable solely from the Revenues (as defined in the Financing Agreement) to be derived from the ownership and operation of the System, including, but not limited to, amounts appropriated by the Board of Supervisors of Greensville County, Virginia (the "County") pursuant to a Support Agreement dated as of \_\_\_\_\_ 1, 2021, among the Authority, VRA and the County, all as described in the Resolution, which Revenues and other moneys, including the Local Debt Service Reserve Fund (as defined in the Financing Agreement), have been pledged pursuant to the Financing Agreement and the Resolution to secure the payment hereof. The lien of the Revenues securing this bond is on a parity with the lien of such Revenues securing the Authority's outstanding water and sewer system revenue bonds, including its \$235,629 Water and Sewer System Revenue Bond, Series 2003, \$2,540,000 Water and Sewer System Revenue Refunding Bond, Series 2014 (as and if required), \$2,025,000 Water and Sewer System Revenue Bond, Series 2016A, \$9,800,000 Water Revenue Bond, Series 2018A, \$6,790,000 Water and Sewer System Revenue Bond, Series 2019A, \$7,000,000 Water Revenue Bond, Series 2020A, \$3,620,000 Water and Sewer System Revenue Refunding Bond, Series 2020B (collectively, the "Existing Parity Bonds"). Additional bonds secured on a parity as to the pledge of the Revenues with this bond and the Existing Parity Bonds may be issued on terms provided in the Financing Agreement and the financing agreements relating to the Existing Parity Bonds. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, IS DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO OR TO LEVY ANY TAXES THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT EXCEPT FROM THE FUNDS OF THE AUTHORITY PLEDGED FOR SUCH PURPOSE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT HERETO. THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

If any installment of principal of and interest on this bond is not paid to the registered owner of this bond within five days after its due date, the Authority shall pay to VRA a late payment charge in an amount equal to five percent (5.0%) of the overdue installment.

If any failure of the Authority to pay all or any portion of any required payment of the principal of or premium, if any, or interest on this bond results in a withdrawal from a VRA Reserve (as defined in the Financing Agreement), the interest rates applicable to this bond shall be increased to interest rates sufficient to reimburse the VRA Reserve for any foregone investment earnings on the funds withdrawn therefrom and/or pay any interest, fees or penalties assessed as a result of the withdrawal from or drawing on the VRA Reserve. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The Authority's obligation to pay Supplemental Interest shall commence on the date of VRA's withdrawal of funds from the VRA Reserve occasioned by the Authority's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The Authority's obligation to pay Supplemental Interest shall terminate on the date on which the Authority remedies such failure to pay by making all payments required but outstanding since the date of such failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in this bond. As soon as reasonably possible after the Supplemental Interest Commencement Date and before the next regularly scheduled interest payment date provided for in this bond, VRA shall deliver to the Authority a certificate as to increase in interest rates and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of Supplemental Interest. Such certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, VRA may use any reasonable averaging and attribution methods.

This bond may not be defeased, redeemed, prepaid or refunded except upon the terms set forth in the Financing Agreement.

This bond is issuable as a fully registered bond. Upon surrender of this bond at the Registrar's office, together with an assignment duly executed by the registered owner or such owner's duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Authority shall execute, and the Registrar shall authenticate and deliver in exchange, a new bond or bonds in the manner and subject to the limitations and conditions provided in the Resolution, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rates and in the same manner, and registered in such names as requested by the then registered owner of this bond or such owner's duly authorized attorney or legal representative. Any such exchange shall be at the Authority's expense, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect to it.

The Authority shall treat the registered owner of this bond as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the 15<sup>th</sup> day of the month preceding each interest payment date.

If an Event of Default (as defined in the Financing Agreement) occurs and is continuing, the principal of, premium, if any, and interest on this bond may be declared immediately due and payable by the registered owner of this bond by written notice to the Authority.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed.

**IN WITNESS WHEREOF**, the Greenville County Water and Sewer Authority has caused this bond to be signed by its Chairman, its seal to be affixed hereon and attested by its Director, and this bond to be dated the date set forth above.

**GREENSVILLE COUNTY WATER  
AND SEWER AUTHORITY**

By \_\_\_\_\_  
Chairman, Greenville County  
Water and Sewer Authority

(SEAL)

ATTEST:

\_\_\_\_\_  
Director, Greenville County  
Water and Sewer Authority

## CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Resolution.

Authentication Date: \_\_\_\_\_

\_\_\_\_\_  
Secretary-Treasurer, Greenville County  
Water and Sewer Authority

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
\_\_\_\_\_  
(Please print or type name and address, including zip code, of Transferee)  
\_\_\_\_\_  
\_\_\_\_\_

this bond and all rights hereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_, attorney to transfer  
said bond on the books kept for the registration, with full power of substitution.

Dated: \_\_\_\_\_

Tax I.D. No.: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: Signature(s) must be  
guaranteed by an Eligible Guarantor such  
as a Commercial Bank, Trust Company,  
Securities Broker/Dealer, Credit Union, or  
Savings Association who is a member of a  
medallion program approved by The  
Securities Transfer Association, Inc.

\_\_\_\_\_  
(Signature of Registered Owner)

(NOTE: The signature above must  
correspond with the name of the registered  
owner as it appears on the front of this  
bond in every particular, without alteration  
or enlargement or any change whatsoever.



SCHEDULE 1

DEBT SERVICE SCHEDULE

**SUPPORT AGREEMENT  
GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**

This **SUPPORT AGREEMENT** is made as of November 17, 2021, between the **BOARD OF SUPERVISORS OF GREENSVILLE COUNTY, VIRGINIA** (the "Board"), acting as the governing body of Greensville County, Virginia (the "County"), **GREENSVILLE COUNTY WATER AND SEWER AUTHORITY** ("GCWSA"), and the **VIRGINIA RESOURCES AUTHORITY** ("VRA"), as purchaser of the Local Bond, as hereinafter defined, pursuant to a Financing Agreement, as hereinafter defined.

**RECITALS**

**WHEREAS**, GCWSA was created by the Board pursuant to the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia of 1950, as amended) and owns and operates the water and wastewater systems in the County (as more particularly defined in the Financing Agreement, the "System"); and

**WHEREAS**, GCWSA has determined that it is in its best interest to issue and sell its Water and Sewer System Revenue Refunding Bond, Series 2020, in the original principal amount of \$[ ] (the "Local Bond") to VRA pursuant to the terms of a Local Bond Sale and Financing Agreement dated as of [ ], 2021 (the "Financing Agreement"), between GCWSA and VRA to refinance its [ ] and pay issuance costs in connection with such financing (collectively, the "Project"); and

**WHEREAS**, the Board adopted on [ ], a resolution authorizing, among other things, the execution of an agreement providing for a non-binding obligation of the Board to consider certain appropriations in support of the Local Bond and the Project; and

**AGREEMENT**

**NOW, THEREFORE**, for and in consideration of the issuance of the Local Bond by the GCWSA, the purchase of the Local Bond by VRA and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. Unless otherwise defined, each capitalized term used in this Agreement (this "Agreement") shall have the meaning given it in the Financing Agreement.
2. GCWSA shall use its best efforts to issue the Local Bond and to use the proceeds thereof to finance the costs of the Project.
3. No later than May 15 of each year, beginning May 15, 2021, GCWSA shall notify the Board of the amount (the "Annual Deficiency Amount") by which GCWSA reasonably expects the Revenues to be insufficient to pay (i) the debt service obligations under the Financing Agreement, the Local Bond and the Existing Parity Bonds, (ii) the Operation and Maintenance Expenses, and (iii) any other payments due and owing by GCWSA under the Financing Agreement (the "Additional Payments") in full as and when due during the County's fiscal year beginning the following July 1.

4. The County Administrator of the County (the "County Administrator") shall include the Annual Deficiency Amount in his budget submitted to the Board for the following fiscal year as an amount to be appropriated to or on behalf of GCWSA. The County Administrator shall deliver to VRA within 10 days after the adoption of the County's budget for each fiscal year, but not later than July 15 of each year, a certificate stating whether the Board has appropriated to or on behalf of GCWSA an amount equal to the Annual Deficiency Amount.

5. If at any time Revenues shall be insufficient to make any of the payments referred to in paragraph 3 hereof, GCWSA shall notify the County Administrator and VRA of the amount of such insufficiency and the County Administrator shall request a supplemental appropriation from the Board in the amount necessary to make such payment.

6. The County Administrator shall present each request for appropriation pursuant to paragraph 5 above to the Board, and the Board shall consider such request at the Board's next regularly scheduled meeting at which it is possible to satisfy any applicable notification requirement. Promptly after such meeting, the County Administrator shall notify VRA as to whether the amount so requested was appropriated. If the Board shall fail to make any such appropriation, the County Administrator shall add the amount of such requested appropriation to the Annual Deficiency Amount reported to the County by the County Administrator for the County's next fiscal year.

7. The Board hereby undertakes a non-binding obligation to appropriate such amounts as may be requested from time to time pursuant to paragraphs 4 and 5 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Board, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations in future fiscal years, and hereby recommends that future Boards of Supervisors do likewise.

8. The Board and GCWSA acknowledge that (i) the Local Bond may be payable from and will be secured by amounts derived pursuant to this Agreement, (ii) VRA would not purchase the Local Bond without the security and credit enhancement provided by this Agreement, and (iii) VRA is treating this Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended (the "Virginia Code"), which in the event of a nonpayment hereunder authorizes VRA or the Trustee to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. In purchasing the Local Bond, VRA is further relying on Section 62.1-216.1 of the Virginia Code, which provides that if the Governor is satisfied that the nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the County of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the County for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.

9. Nothing herein contained is or shall be deemed to be a lending of the credit of the County to GCWSA, VRA or to any holder of the Local Bond or to any other person, and nothing

herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the County, nor shall anything herein contained legally bind or obligate the Board to appropriate funds for the purposes described herein.

10. Any notices or requests required to be given hereunder shall be deemed given if sent by registered or certified mail, postage prepaid, addressed (i) if to the County, to 1781 Greenville County Circle, Emporia, Virginia 23847, Attention: County Administrator, (ii) if to GCWSA, to 1781 Greenville County Circle, Emporia, Virginia 23847, Attention: Executive Director, and (iii) if to VRA, to 1111 East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director. Any party may designate any other address for notices or requests by giving notice.

11. It is the intent of the parties hereto that this Agreement shall be governed by the laws of the Commonwealth of Virginia.

12. This Agreement shall remain in full force and effect until the Local Bond and all other amounts payable by GCWSA under the Financing Agreement have been paid in full.

13. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the parties hereto have each caused this Agreement to be executed in their respective names as of the date first above written.

**BOARD OF SUPERVISORS OF  
GREENSVILLE COUNTY, VIRGINIA**

By: \_\_\_\_\_  
Chairman

**GREENSVILLE COUNTY WATER AND  
SEWER AUTHORITY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**VIRGINIA RESOURCES AUTHORITY**

By: \_\_\_\_\_  
Stephanie L. Hamlett, Executive Director

**LOCAL BOND SALE AND FINANCING AGREEMENT**

**between**

**VIRGINIA RESOURCES AUTHORITY**

**and**

**GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**

**Dated as of October 4, 2021**

**Virginia Resources Authority  
Infrastructure and State Moral Obligation Revenue Bonds  
(Virginia Pooled Financing Program)  
Series 2021C (Taxable)**



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## LOCAL BOND SALE AND FINANCING AGREEMENT

This **LOCAL BOND SALE AND FINANCING AGREEMENT** is dated as of October 4, 2021, and is between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia ("VRA"), and the **GREENSVILLE COUNTY WATER AND SEWER AUTHORITY**, a public body corporate and politic and a political subdivision of the Commonwealth of Virginia (the "Local Government").

A. VRA intends to issue its Related Series of VRA Bonds, as hereinafter defined, and to use a portion of the proceeds thereof to acquire from the Local Government the Local Bond, as hereinafter defined.

B. VRA and the Local Government wish to set forth herein certain terms, conditions and provisions related to the application of the proceeds to be received pursuant to this Agreement, the payment of the debt service thereon and the security therefor, and the use and maintenance of the System as each term is hereinafter defined.

**NOW, THEREFORE**, VRA and the Local Government agree as follows:

### ARTICLE I DEFINITIONS

**Section 1.1 Definitions.** Each capitalized term contained in this Agreement has the meaning set forth below:

**"2014 Local Bond"** means the Local Government's Water and Sewer System Revenue and Refunding Bond, Series 2014.

**"2014C VRA Bonds"** means VRA's Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2014C (Non-AMT).

**"2021C Acquisition Fund"** has the meaning set forth in the Related Supplemental Series Indenture.

**"Act"** means the Virginia Resources Authority Act, Chapter 21, Title 62.1 of the Code of Virginia of 1950, as amended.

**"Agreement"** means this Local Bond Sale and Financing Agreement dated the date first written above, between VRA and the Local Government, as modified, altered, amended or supplemented in accordance with the terms hereof.

**"Annual Budget"** means the budget of the System for each Fiscal Year.

**"Business Day"** means any day on which commercial banking institutions are generally open for business in New York, New York and Richmond, Virginia.

**"Call Date"** means November 1, 2024 for the 2014C VRA Bonds.

**"Closing Date"** means November 17, 2021, or such other date as may be determined by VRA.

**"Commonwealth"** means the Commonwealth of Virginia.

**"Consulting Engineer"** means the Local Engineer or the Outside Engineer.

**"Effective Date"** means October 4, 2021.

**"Escrow Agreement"** means the Escrow Agreement dated the Closing Date between VRA and U.S. Bank National Association, as escrow agent.

**"Event of Default"** has the meaning set forth in Section 10.1.

**"Existing Parity Bonds"** has the meaning set forth in Section 2.2(n).

**"Financing Parameters"** means the parameters established by the governing body of the Local Government regarding the terms and conditions of the Local Bond, which may include a maximum par amount, maximum "true" interest cost or targeted savings.

**"Fiscal Year"** means the 12-month period beginning July 1 of one year and ending on June 30 of the following year, or if the Local Government has established another 12-month period as its annual accounting period such other 12-month period.

**"Government Obligations"** means direct obligations of, or obligations the payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

**"Local Account"** means the local account established for the Local Bond within the 2021C Acquisition Fund.

**"Local Authorization"** means the resolution adopted on October 4, 2021, by a majority of the members of the governing body of the Local Government approving (i) the transactions contemplated by and authorizing the execution and delivery of this Agreement and (ii) the execution, issuance and sale of the Local Bond subject to the Financing Parameters.

**"Local Bond"** means the Local Government's Taxable Water and Sewer System Revenue Refunding Bond, Series 2021, issued in the original principal amount set forth in Schedule 1.1, as such bond may be amended or modified.

**"Local Debt Service Reserve Fund"** means the fund established under Section 6.5.

**"Local Engineer"** means an officer or employee of the Local Government so designated in writing by a Local Representative, which officer or employee (i) is licensed as a professional engineer in Virginia, (ii) has recognized standing and experience in the design and construction of facilities similar to the Project and (iii) is subject to VRA's reasonable approval.

**"Local Government"** means the Greenville County Water and Sewer Authority.

**"Local Representative"** means (i) the chair or vice chair of the governing body of the Local Government, (ii) the chief executive officer of the Local Government and (iii) any other official or employee of the Local Government authorized by resolution of the governing body of the Local Government to perform the act or sign the document in question.

**"Local Reserve Fund Determination Date"** means (i) the 10th day after each interest payment date under the Local Bond or, if such day is not a Business Day, on the first Business Day thereafter or (ii) any other date established in writing by VRA for the valuation of obligations on deposit in the Local Debt Service Reserve Fund.

**"Local Reserve Requirement"** means an amount equal to the maximum annual debt service payment on the Local Bond as of the Closing Date as set forth in Schedule 1.1.

**"Master Indenture"** means the Master Indenture of Trust dated as of December 1, 2003, between VRA and the Trustee, as modified, altered, amended and supplemented in accordance with its terms.

**"Net Revenues Available for Debt Service"** means the Revenues less amounts necessary to pay Operation and Maintenance Expenses.

**"Operation and Maintenance Expenses"** means the costs of operating and maintaining the System determined under generally accepted accounting principles, exclusive of (i) interest on any debt payable from Revenues, (ii) depreciation and other items not requiring the expenditure of cash, (iii) any amounts expended for capital replacements, repairs and maintenance not recurring either annually or biannually, depending on the customary practice of performing operation and maintenance, or reserves therefor, and (iv) reserves for administration, operation and maintenance occurring in the normal course of business.

**"Outside Engineer"** means a firm of independent consulting engineers with recognized standing in the field of water and sewer engineering and licensed as professional engineers in Virginia that the Local Government designates in writing, subject to VRA's reasonable approval.

**"Parity Bonds"** means the bonds and other obligations of the Local Government secured by a pledge of Revenues on a parity with the lien of the pledge of Revenues that secures the Local Bond.

**"Parity Debt"** means any of the Local Government's Parity Bonds, including the Local Bond.

**"Proceeds Requested"** means an amount necessary to provide for the escrow related to the Refunded VRA Bonds, subject to the Financing Parameters, plus local costs of issuance, or such other amount requested in writing by the Local Government and approved by VRA prior to the Sale Date.

**"Project"** means the project described in Exhibit B.

**"Project Budget"** means the budget for the Project set forth in Schedule 1.1.

**"Project Costs"** means the costs of the Project to the extent such costs are included in the definition of "cost" set forth in Section 62.1-199 of the Act, and includes the refunding of obligations of VRA or the Local Government issued to finance or refinance "costs" set forth in Section 62.1-199 of the Act.

**"Purchase Price"** has the meaning set forth in Schedule 1.1 and represents the amount received by the Local Government from the sale of the Local Bond to VRA. The Purchase Price of the Local Bond will be determined by adding to or subtracting from the portion of the par amount of the Local Bond the Local Government's share of the net original issue premium or discount on the Related Series of VRA Bonds and by subtracting from the par amount of the Local Bond the Local Government's share of VRA's expenses as set forth in Section 3.2 and the Local Government's share of the deposit on the Closing Date to any applicable VRA Reserve. It is acknowledged that the Purchase Price does not include any accrued interest on the Local Bond from its dated date to the Closing Date.

**"Qualified Independent Consultant"** means an independent professional consultant having the skill and experience necessary to provide the particular certificate, report or approval required by the provision of this Agreement in which such requirement appears, including without limitation an Outside Engineer, and an independent certified public accountant or firm of independent certified public accountants; provided, however, all Qualified Independent Consultants are subject to the reasonable approval of VRA.

**"Refunded VRA Bonds"** means the portion of the 2014C VRA Bonds allocated to the 2014 Local Bond to be refunded as agreed to in writing by the Local Government and VRA prior to the Sale Date.

**"Registrar"** means the officer or employee of the Local Government designated under the Local Authorization to maintain the registration books for the Local Bond.

**"Related Financed Property"** means the land, building, equipment and other property, the acquisition, construction, renovation, or equipping of which was financed and refinanced by the Local Bond as part of the Project.

**"Related Portion of VRA Bonds"** means the portion of the Related Series of VRA Bonds allocable to the Local Bond (as determined by VRA), including any bonds issued by VRA to refund such Related Series of VRA Bonds in whole or in part.

**"Related Series of VRA Bonds"** means the Virginia Resources Authority Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2021C (Taxable). (or such other series of Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program that is specified in Schedule 1.1), in the original aggregate principal amount set forth in Schedule 1.1, and, unless the Local Government receives notice to the contrary from VRA, any bonds issued by VRA to refund the Related Series of VRA Bonds in whole or in part.

**"Related Supplemental Series Indenture"** means the Fifty-Second Supplemental Series Indenture of Trust dated as of November 1, 2021, between VRA and the Trustee, as

modified, altered, amended and supplemented in accordance with its terms and those of the Master Indenture.

**"Revenue Fund"** has the meaning set forth in the Master Indenture.

**"Revenues"** means (i) all rates, fees, rentals, charges and other income properly allocable to the System under generally accepted accounting principles or resulting from the Local Government's ownership or operation of the System and all rights to receive the same, whether now existing or hereafter coming into existence, exclusive of user and other deposits subject to refund until such deposits have become the Local Government's property, (ii) the proceeds of any insurance covering business interruption loss relating to the System (including without limitation any amount that may be appropriated for and paid to the Local Government by the County of Greensville, Virginia under certain support agreements or otherwise), (iii) interest on any money or securities related to the System held by or on behalf of the Local Government and (iv) any other income from other sources now or hereafter pledged or specifically made available by or on behalf of the Local Government, including any appropriations made by the Local Government, to or for the payment of Operation and Maintenance Expenses or debt service on Parity Bonds.

**"Sale Date"** means October 27, 2021, or such other date specified in Schedule 1.1.

**"Subordinate Debt"** means obligations of the Local Government secured by a pledge of Revenues expressly made subordinate to the pledge securing the Local Bond and any other Parity Bonds, and any obligations to make deposits related to reserve funds, rebate funds and similar funds or accounts established for the benefit of the Local Bond or any other Parity Bonds.

**"Supplemental Interest"** has the meaning set forth in Section 6.1.

**"System"** means all plants, systems, facilities, equipment or property owned, operated or maintained by the Local Government and used in connection with the supply, treatment, storage or distribution of water and the collection and treatment of wastewater, as the same may exist from time to time.

**"Trustee"** means U.S. Bank National Association, Richmond, Virginia, as trustee under the Master Indenture and the Related Supplemental Series Indenture, or its successors serving in such capacity.

**"Verification Agent"** means a firm or individual engaged by VRA to provide the Verification Report.

**"Verification Report"** means the report of the Verification Agent.

**"VRA"** means the Virginia Resources Authority, a public body corporate and a political subdivision of the Commonwealth.

**"VRA Bonds"** means the Related Series of VRA Bonds and any additional bonds issued under the Master Indenture.



"VRA Reserve" means any one or more of the Capital Reserve Fund, the Infrastructure Debt Service Reserve Fund, the Operating Reserve Fund, a CRF Credit Facility or an Infrastructure Revenue DSRF Facility, each as defined in the Master Indenture.

**Section 1.2 Rules of Construction.** The following rules apply to the construction of this Agreement unless the context requires otherwise:

(a) Singular words connote the plural number as well as the singular and vice versa.

(b) Words importing the redemption or calling for redemption of the Local Bond do not refer to or connote the payment of the Local Bond at its stated maturity.

(c) All references in this Agreement to particular Articles, Sections or Exhibits are references to Articles, Sections or Exhibits of this Agreement unless otherwise indicated.

(d) The headings and table of contents as used in this Agreement are solely for convenience of reference and do not constitute a part of this Agreement and do not affect its meaning, construction or effect.

## **ARTICLE II REPRESENTATIONS**

**Section 2.1 Representations by VRA.** VRA represents to the Local Government as follows:

(a) VRA is a duly created and validly existing public body corporate and political subdivision of the Commonwealth vested with the rights and powers conferred upon it under the Act.

(b) VRA has full right, power and authority to (i) issue, sell and deliver the Related Series of VRA Bonds, (ii) direct the Trustee to use a portion of the proceeds of the Related Series of VRA Bonds to purchase the Local Bond from the Local Government as contemplated under the Related Supplemental Series Indenture and this Agreement and (iii) carry out and consummate all other transactions contemplated by this Agreement.

(c) VRA has duly authorized, executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of VRA enforceable against VRA in accordance with its terms.

**Section 2.2 Representations by Local Government.** The Local Government represents to VRA as follows:

(a) The Local Government is a duly created and validly existing Virginia "local government" (as defined in Section 62.1-199 of the Act) and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Local Government has full right, power and authority to (i) adopt the Local Authorization and execute and deliver this Agreement and all related documents, (ii) issue, sell and deliver its Local Bond to the Trustee, (iii) own and operate the System, (iv) undertake the Project and (v) carry out and consummate all of the transactions contemplated by the Local Authorization, the Local Bond and this Agreement.

(c) The Local Authorization authorized the execution and delivery of this Agreement and this Agreement is in substantially the same form as presented to the Local Government's governing body at its meeting at which the Local Authorization was adopted.

(d) The Local Government has obtained all governmental permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the Effective Date for the Local Government's (i) adoption of the Local Authorization, (ii) execution and delivery of this Agreement and the Local Bond, (iii) performance of its obligations under this Agreement and the Local Bond, (iv) the undertaking of the Project and (v) the operation and use of the System. The Local Government knows of no reason why any such required governmental permits, licenses, registrations, certificates, authorizations or approvals not required to be obtained by the Effective Date cannot be obtained as required in the future.

(e) The Local Government has executed and delivered this Agreement, and this Agreement constitutes a legal, valid and binding obligation of the Local Government enforceable against the Local Government in accordance with its terms.

(f) When executed and delivered in accordance with the Local Authorization and this Agreement, the Local Bond will have been executed and delivered by duly authorized officials of the Local Government and will constitute a legal, valid and binding limited obligation of the Local Government enforceable against the Local Government in accordance with its terms.

(g) The issuance of the Local Bond and the execution and delivery of this Agreement and the performance by the Local Government of its obligations thereunder are within the powers of the Local Government and will not conflict with, or constitute a breach or result in a violation of (i) to the best of the Local Government's knowledge, any federal, or Virginia constitutional or statutory provision, including the Local Government's charter or articles of incorporation, if any, (ii) any agreement or other instrument to which the Local Government is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Local Government or its property.

(h) The Local Government is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. No event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to this Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.

(i) The Local Government (i) to the best of the Local Government's knowledge, is not in violation of any existing law, rule or regulation applicable to it in any way that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond or this Agreement and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Local Government is a party or by which it is bound or to which any of its assets is subject that would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond and this Agreement. The Local Government's execution and delivery of the Local Bond and this Agreement and its compliance with the terms and conditions thereof will not conflict with or result in a breach of or constitute a default under any of the foregoing.

(j) The Local Government reasonably expects that, unless otherwise permitted by the terms of this Agreement or approved by VRA, the Local Government will own, operate and control the System at all times during the term of the Local Bond.

(k) Except as set forth in Exhibit C, there are not pending nor, to the best of the Local Government's knowledge, threatened against the Local Government, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature (i) affecting the creation, organization or existence of the Local Government or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Authorization or this Agreement or the issuance or delivery of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Bond, the Local Authorization, this Agreement or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Local Government or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Authorization, this Agreement or the Local Bond or (v) affecting the Project.

(l) The financial statements, applications and other information that the Local Government furnished to VRA in connection with this Agreement fairly and accurately portray the Local Government's financial condition, as of their dates, and there has been no material adverse change in the financial condition of the Local Government since the date of the financial statements provided to VRA in connection with this Agreement.

(m) Nothing that would constitute an Event of Default hereunder has occurred and is continuing, and no event or condition exists that with the passage of time or the giving of notice, or both, would constitute an Event of Default hereunder.

(n) A list of all Parity Debt that is outstanding on the date of this Agreement is attached as Exhibit J (the "Existing Parity Bonds").

(o) Except for the Existing Parity Bonds, there is no indebtedness of the Local Government secured by a pledge of Revenues prior to or on a parity with the lien of the pledge of Revenues that secures the Local Bond.

**Section 2.3 Representations Remade as of the Sale Date.** (a) It shall be a condition precedent of VRA's obligation to sell the Related Series of VRA Bonds that the Local Government's representations and warranties set forth in Section 2.2 be true and accurate in all respects on the Sale Date.

(b) If prior to the Sale Date, any representation or warranty set forth in Section 2.2 becomes untrue or inaccurate, then the Local Government shall notify VRA within one Business Day of becoming aware of such facts, and VRA, in its sole and absolute discretion, shall determine whether to sell VRA Bonds on behalf of the Local Government, which series of VRA Bonds (if any) to sell on behalf of the Local Government and any additional conditions precedent to the sale of such VRA Bonds or the purchase of the Local Bond.

### **ARTICLE III PURCHASE OF THE LOCAL BOND**

**Section 3.1 Purchase of the Local Bond.** (a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth or incorporated herein, VRA shall purchase, solely from the proceeds of the Related Series of VRA Bonds, all, but not less than all, of the Local Bond from the Local Government, and the Local Government shall, subject to the Financing Parameters, sell and deliver to VRA the Local Bond for the Purchase Price. The Local Government acknowledges that the Purchase Price is determined by VRA, is subject to VRA's Purchase Price Objective (as defined below) and market conditions as described below, and is expected to be substantially equal to the Proceeds Requested. The Local Government shall issue the Local Bond pursuant to the Local Authorization and in substantially the form of Exhibit A to this Agreement. As a condition of VRA entering into this Agreement, the Local Government shall deliver to VRA a copy of the Local Authorization as adopted prior to the date hereof.

(b) The Local Government acknowledges that VRA has advised the Local Government that its objective is to pay the Local Government the Purchase Price for its Local Bond which in VRA's judgment reflects the market value of the Local Bond ("Purchase Price Objective"), taking into consideration the Financing Parameters, the purchase price received by VRA for the Related Series of VRA Bonds, the underwriters' discount and other issuance costs of the Related Series of VRA Bonds and other market conditions relating to the sale of the Related Series of VRA Bonds. The Local Government further acknowledges that VRA has advised it that such factors may result in the Local Bond having a value other than par and that in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, the Local Government may need to issue the Local Bond with a par amount that is greater or less than the Proceeds Requested. The Local Government shall not issue the Local Bond if doing so would violate any Financing Parameter. The Local Government shall issue the Local Bond at a par amount that provides, to the fullest extent practicable given VRA's Purchase Price Objective, a Purchase Price at least equal to the Proceeds Requested, all in accordance with the Local Authorization. The Local Government acknowledges that the Purchase Price will be less than the Proceeds Requested if any Financing Parameter prevents VRA from generating a Purchase Price substantially equal to the Proceeds Requested, based upon VRA's Purchase Price Objective.

**Section 3.2    Issuance Expenses.** VRA shall pay, or cause to be paid, from the proceeds of the Related Series of VRA Bonds all expenses incident to the performance of VRA's obligations under and the fulfillment of the conditions imposed by this Agreement in connection with the issuance, sale and delivery of the Related Series of VRA Bonds and the purchase of the Local Bond on the Closing Date, including, but not limited to: (i) the cost, if any, of preparing and delivering the Related Series of VRA Bonds; (ii) the cost of preparing, printing and delivering the Preliminary Official Statement and the Official Statement for the Related Series of VRA Bonds and any amendment or supplement thereto; (iii) the fees and expenses of the financial advisor(s) and bond counsel to VRA; and (iv) all other costs and expenses incurred by VRA. The Local Government shall pay all expenses of the Local Government incident to the issuance, sale and delivery of the Local Bond, including, but not limited to the fees and disbursements of the financial advisor, counsel and bond counsel to the Local Government from the Purchase Price or other funds of the Local Government.

**Section 3.3    Schedule 1.1.** VRA shall complete Schedule 1.1, which shall set forth, among other things, the principal amount, interest rates, payment schedule and Purchase Price with respect to the Local Bond and the principal amount of the Related Series of VRA Bonds on or after the Sale Date. VRA shall deliver the completed Schedule 1.1 to the Local Government and shall attach Schedule 1.1 to this Agreement. Upon delivery to the Local Government, the completed Schedule 1.1 shall become a part of this Agreement the same as if it were a part hereof on the Effective Date.

**Section 3.4    Conditions Precedent to Purchase of the Local Bond.** VRA shall not be required to cause the Trustee to purchase the Local Bond unless:

(a) VRA has received the following, all in form and substance satisfactory to VRA:

(1) Certified copies of the Local Authorization and all other ordinances and resolutions of the Local Government relating to this Agreement and the Local Bond, if any.

(2) A certificate of the appropriate officials of the Local Government dated the Closing Date as to the matters set forth in Section 2.2 and Section 2.3 (to the extent applicable), including appropriate certifications regarding this Agreement, and such other matters as VRA may reasonably require.

(3) Evidence that the Local Government has performed and satisfied all of the terms and conditions contained in this Agreement to be performed and satisfied by it as of such date.

(4) An opinion of counsel to the Local Government in substantially the form attached as Exhibit F.

(5) An opinion of bond counsel to the Local Government in form and substance reasonably satisfactory to VRA.

(6) Evidence that the Local Government has complied with the insurance provisions set forth in Section 8.1 and Section 8.2.

(7) The executed Local Bond.

(8) Evidence that the Local Government has satisfied all conditions precedent to the issuance of the Local Bond as a "Parity Bond" under the financing documents for the Existing Parity Bonds.

(9) A copy of a Verification Report that verifies the sufficiency of the funds deposited under the Escrow Agreement to pay the principal of and premium, if any, and interest on the Refunded VRA Bonds to and including each respective Call Date.

(10) Such other documentation, certificates and opinions as VRA may reasonably require as set forth in Schedule 1.1.

(b) The initial purchasers of the Related Series of VRA Bonds have paid in full and VRA has accepted the purchase price for the Related Series of VRA Bonds on the Closing Date. It is understood that the sole source of funds to pay the Purchase Price is a portion of the proceeds of the Related Series of VRA Bonds.

#### **ARTICLE IV USE OF PURCHASE PRICE**

**Section 4.1 Deposit of Purchase Price; Investment of Amounts in Local Account.**  
On the Closing Date, VRA shall cause the Trustee to deposit the Purchase Price into the Local Account and to apply the Purchase Price and the earnings thereon as set forth in the Related Supplemental Series Indenture and this Agreement.

**Section 4.2 Agreement to Accomplish Project.** (a) The Local Government shall undertake the Project as described in Exhibit B and in accordance with the Project Budget. The Local Government shall maintain complete and accurate books and records of the Project Costs and permit VRA or the Trustee through their duly authorized representatives to inspect such books and records at any reasonable time.

(b) The Local Government shall cause the deposit of a portion of the proceeds of the Local Bond under the Escrow Agreement and other available funds, if any, in an amount sufficient when invested to pay the principal of and premium, if any, and accrued interest on the Refunded VRA Bonds to and including each respective Call Date as verified in the Verification Report.

(c) If upon payment of all related costs of issuance, there is a balance remaining in the Local Account, the Trustee shall disburse any remaining balance to the Local Government by April 1, 2022 to partially reimburse interest on the Local Bond or in such other manner that is permitted under the Act and will not, in the opinion of a nationally-recognized bond counsel delivered to VRA and the Trustee, have an adverse effect on the tax status of the Related Series of VRA Bonds.

**Section 4.3    Disbursement of Purchase Price and Earnings.** Except as provided in Section 4.2(c), the Local Government shall apply the amounts in the Local Account solely and exclusively to the payment or reimbursement of the Local Government for the Project Costs. Not more frequently than once per calendar month, the Trustee shall disburse amounts from the Local Account to the Local Government or as directed by the Local Government upon the Trustee's receipt of the following:

(a)    A requisition (upon which the Trustee and VRA shall be entitled to rely) signed by a Local Representative and containing all information called for by, and otherwise being in the form of, Exhibit D (including the Schedules thereto).

(b)    Receipts, vouchers, statements, bills of sale or other evidence of payment of the related Project Costs.

Following VRA's approval of each such requisition and accompanying invoice(s) and certificate(s), which approval will not unreasonably be withheld, the Trustee shall pay the requisition from the Local Account in accordance with the instructions in such requisition.

**The Local Government agrees that any amounts disbursed to it or for its account from the Local Account will be (i) immediately applied to reimburse the Local Government for Project Costs it has already paid or (ii) actually spent to pay Project Costs not later than five banking days after receipt.**

**Section 4.4    No Sufficiency Warranty by VRA; Local Government Required to Complete Project.** VRA makes no warranty, either express or implied, that the Purchase Price will be sufficient to pay all or any particular portion of the Project Costs.

## **ARTICLE V PLEDGE AND SECURITY**

**Section 5.1    Pledge.** Subject to the Local Government's right to apply Revenues to the payment of Operation and Maintenance Expenses and the Local Government's obligation to apply Revenues to the payment of the Existing Parity Bonds, if any, the Revenues are hereby pledged to secure the payment of the principal of and premium, if any, and interest on the Local Bond and the payment and performance of the Local Government's obligations under this Agreement on a parity with the Existing Parity Bonds. This pledge shall be valid and binding from and after the date the Local Government executes this Agreement. The Revenues, as received by the Local Government, shall immediately be subject to the lien of this pledge without any physical delivery of them or further act. Except as stated above, the lien of this pledge shall have priority over all other obligations and liabilities of the Local Government payable from Revenues, and the lien of this pledge shall be valid and binding against all parties having claims of any kind against the Local Government regardless of whether such parties have notice of this pledge. Until the occurrence and continuation of an Event of Default, the Local Government may, after the application each month of Revenues to the payment of the Operation and Maintenance Expenses and debt service on the Local Bond, the Existing Parity Bonds and any Parity Bond, use the Revenues for any lawful purpose.

**Section 5.2 Rate Covenant.** (a) The Local Government shall fix and collect rates, fees and other charges for the use of and for services furnished or to be furnished by its System, and will from time to time revise such rates, fees and other charges so that in each Fiscal Year the Net Revenues Available for Debt Service will equal at least 115% of the amount required during the Fiscal Year to pay the principal of and interest on the Local Bond and all other Parity Bonds.

(b) If, for any reason, the Net Revenues Available for Debt Service are insufficient to satisfy the covenant set forth in subsection (a), the Local Government shall (i) on its demand, pay to VRA a rate maintenance penalty fee in an amount of \$5,000, and (ii) within 90 days adjust and increase its rates, fees and other charges or reduce its Operation and Maintenance Expenses so as to provide sufficient Net Revenues Available for Debt Service to satisfy such requirement.

(c) On or before the last day of each Fiscal Year, the Local Government shall review the adequacy of its rates, fees and other charges for the next Fiscal Year, and, if such review indicates the Local Government's rates, fees and other charges will be insufficient to satisfy the rate covenant in subsection (a), the Local Government shall promptly take appropriate action to increase its rates, fees and other charges or reduce its Operation and Maintenance Expenses to cure any deficiency.

**Section 5.3 Annual Budget of the System.** Not less than 15 days before the first day of each Fiscal Year, the Local Government shall submit to its governing body and to VRA a copy of a preliminary annual budget, containing all information called for by, and otherwise being in the form of, Exhibit I to this Agreement, for such Fiscal Year setting forth a schedule of the rates, fees and other charges to be imposed by the Local Government, the Revenues estimated to be generated thereby and the expenditures anticipated by the Local Government for operations, maintenance, repairs, replacements, improvements, debt service and other purposes. The Local Government shall adopt, prior to the first day of each Fiscal Year, a budget for such Fiscal Year. The Local Government shall ensure that the adopted budget contains the information required to be included in the preliminary budget. Such budget as approved by the Local Government's governing body is referred to in this Agreement as the Annual Budget. The Local Government may at any time during any Fiscal Year amend the Annual Budget for such Fiscal Year so long as such amendment does not result in an Event of Default. The Local Government shall promptly submit to VRA, in an electronic format, a copy of the Annual Budget and any amendments thereto.

**Section 5.4 Qualified Independent Consultant's Report.** (a) If at the end of any Fiscal Year, the Local Government is not in compliance with the rate covenant made by the Local Government in Section 5.2(a), within 210 days after the end of such Fiscal Year, the Local Government shall obtain a report from the Qualified Independent Consultant. The Local Government shall ensure that the report gives advice and makes recommendations as to the proper maintenance, repair, replacement and operation of the System for the next ensuing Fiscal Year and estimating the costs thereof as to the rates, fees, and other charges which should be established by the Local Government to satisfy the rate covenant in Section 5.2(a). The Local Government shall promptly furnish a copy of such report to VRA and, subject to Section 5.4(b),



take measures to implement the recommendations of the Qualified Independent Consultant within 90 days of obtaining such report.

(b) If the Local Government determines that the Qualified Independent Consultant's recommendations are impractical or inappropriate, the Local Government may in lieu thereof adopt other procedures which the Local Government believes will bring it into compliance with the rate covenant made by the Local Government in Section 5.2(a) when such measures have been implemented and become fully effective. Such alternative plan shall be filed with VRA not later than 30 days after receipt of the Qualified Independent Consultant's report along with a detailed explanation of the Local Government's reason for rejecting the Qualified Independent Consultant's recommendations. Notwithstanding anything herein to the contrary, VRA reserves the right, in its sole discretion, to reject such alternate procedures and, to the extent permitted by law, require the Local Government to comply with the Qualified Independent Consultant's recommendation.

## **ARTICLE VI PAYMENT AND REDEMPTION OF LOCAL BOND**

### **Section 6.1 Payment of Local Bond and Related Amounts.**

(a) Until the principal of and premium, if any, and interest on the Local Bond and all other amounts payable under this Agreement have been paid in full, the Local Government shall pay the Trustee or VRA, as applicable, or if necessary to replenish the Rate Stabilization Fund, the following amounts:

(1) to the Trustee, the amounts required by the Local Bond on such dates and in such manner as provided for in the Local Bond – the term "interest," as used in the Local Bond and this Agreement, includes Supplemental Interest, when and if payable;

(2) Reserved;

(3) to VRA, on its demand, a late payment penalty in an amount equal to 5.0% of the payment on the Local Bond not paid within 5 days after its due date;

(4) to the Trustee, to the extent permitted by law, the Local Government's share (as determined by VRA) of the annual fees and expenses of the Trustee, less the Local Government's share of the net earnings on the Revenue Fund, Infrastructure Revenue Debt Service Fund and Moral Obligation Debt Service Fund established under the Master Indenture (as determined by VRA), and the Local Government shall pay such amounts no later than 15 days after VRA or the Trustee sends to the Local Government a written bill for them;

(5) to VRA, the reasonable costs and expenses, including reasonable attorneys' fees, if any, incurred by VRA in connection with (i) an Event of Default or default by the Local Government under this Agreement (ii) any amendment to or discretionary action that VRA undertakes at the request of the Local Government under this Agreement, any other document related to the Related Series of VRA Bonds or the

Local Bond or (iii) any claim, lawsuit or other challenge to the Local Bond, the VRA Bonds or this Agreement that arises, at least in part, out of the Local Government's authorization of its issuance of the Local Bond, and the Local Government shall pay such amounts no later than 15 days after VRA or the Trustee sends to the Local Government a written bill for them; and

(6) to the Trustee, an amount equal to one-sixth (1/6) of the amount of any deficiency in the amount on deposit in the Local Debt Service Reserve Fund as determined by the Trustee on the immediately preceding Local Reserve Fund Determination Date any deficiency in the Local Debt Service Reserve Fund, on the first day of each month after such default in payments until the deficiency is eliminated.

(b) If any failure of the Local Government to pay all or any portion of any required payment of the principal of or premium, if any, or interest on the Local Bond results in a withdrawal from or a drawing on any VRA Reserve, the interest rates applicable to the Local Bond shall be increased to interest rates sufficient to reimburse the VRA Reserve for any foregone investment earnings on the funds withdrawn therefrom and pay any interest, fees or penalties assessed as a result of the withdrawal from or drawing on the VRA Reserve. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The Local Government's obligation to pay Supplemental Interest shall commence on the date of the withdrawal or drawing of funds from the VRA Reserve occasioned by the Local Government's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The Local Government's obligation to pay Supplemental Interest shall terminate on the date on which the Local Government makes all payments required but outstanding since the date of the initial failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in the Local Bond. As soon as reasonably possible after the Supplemental Interest Commencement Date and before the next regularly scheduled interest payment date provided for in the Local Bond, VRA shall deliver to the Local Government a certificate as to the increase in interest rates and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of Supplemental Interest. Such certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, VRA may use any reasonable averaging and attribution methods.

(c) The Local Government shall pay the amounts described above and make payments as scheduled under the Local Bond despite any amount being withdrawn from or drawn on a VRA Reserve pursuant to the Master Indenture.

## **Section 6.2 Defeasance and Redemption of Local Bond.**

(a) The Local Government shall not defease or redeem the Local Bond (in whole or in part), except as provided in this Section 6.2.

(b) The Local Government shall satisfy the following conditions prior to the defeasance and redemption of the Local Bond:

(1) The Local Government shall provide to VRA not less than 60 days' prior written notice of the deposit of the funds described in (2), (3) and (4) below.

(2) The Local Government shall deposit with the Trustee an amount sufficient for VRA to establish an escrow of cash and non-callable, non-prepayable Government Obligations the principal of and interest on which will be sufficient (without reinvestment) to cause the defeasance under Article XII of the Master Indenture of the portion of the Related Portion of VRA Bonds corresponding to the portion of the Local Bond to be defeased or prepaid (the "Allocated Portion"). The defeasance of the Allocated Portion may be either to maturity or an earlier redemption date as determined by the Local Government.

(3) The Local Government shall deposit with VRA cash in an amount sufficient, as determined by VRA, to pay for a verification report required for the defeasance of the Allocated Portion under Article XII of the Master Indenture, any costs incurred by VRA in connection with the redemption, refunding and defeasance of the Allocated Portion, all amounts overdue or then due on the Local Bond (including, without limitation, any Supplemental Interest) and all amounts overdue, due or to become due under Section 6.1(a) of this Agreement.

(4) The Local Government shall deposit with VRA cash in an amount equal to the present value of interest that would be paid on the principal of the Allocated Portion at a rate equal to 0.125%, payable semiannually, to the maturity dates of the Allocated Portion or, if earlier, the redemption date or dates of the Allocated Portion. Present value shall be determined by using a discount rate equal to the true interest cost of the Related Portion of VRA Bonds.

(c) VRA will determine which Related Portion of VRA Bonds will be designated as the Allocated Portion and the amounts to be deposited under subsection (b)(2) and (3) above using such reasonable allocation and estimation methods as may be selected by VRA, and VRA's determinations shall be conclusive (absent manifest error).

(d) The Local Government acknowledges that no funds in any VRA Reserve will be available to the Local Government for the defeasance or redemption of the Local Bond.

**Section 6.3 Payments and Rights Assigned.** The Local Government hereby consents to VRA's assignment to the Trustee of VRA's rights under this Agreement and the Local Bond. The Local Government also hereby acknowledges and consents to the reservation by VRA of the right and license to enjoy and enforce VRA's rights under the Local Bond and this Agreement so long as no Event of Default (as defined in the Master Indenture) with respect to the Related Series of VRA Bonds has occurred and is continuing. Even though VRA will be the registered owner of the Local Bond, the Local Government shall pay directly to the Trustee all amounts payable by the Local Government under the Local Bond and this Agreement (except for those

amounts specifically indicated as payable to VRA under Section 6.1 or Section 11.8, which the Local Government shall pay directly to VRA).

**Section 6.4 Obligations Absolute and Unconditional.** The obligation of the Local Government to make the payments required by the Local Bond and this Agreement from the sources pledged therefor shall be absolute and unconditional. The Local Government shall pay all such amounts without abatement, diminution or deduction (whether for taxes or otherwise) regardless of any cause or circumstance whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Local Government may have or assert against VRA, the Trustee or any other person.

**Section 6.5 Local Debt Service Reserve Fund.** (a) The Trustee previously established a "Greenville County Water and Sewer Authority 2014 Debt Service Reserve Account" (the "Local Debt Service Reserve Fund") for the benefit of VRA, to be held in accordance with Section 10.1 of the Master Indenture and separate and apart from the funds established under the Master Indenture. On the Closing Date, the Local Government shall deposit the Local Reserve Requirement into the Local Debt Service Reserve Fund.

(b) Money in the Local Debt Service Reserve Fund shall be used solely to cure any deficiencies in the payment by the Local Government of principal of, premium if any, or interest on the Local Bond and the 2014 Local Bond pursuant to Section 6.1(a)(1). If there is a deficiency in the amount of such payment, the Trustee shall transfer the amount of the deficiency from the amount, if any, on deposit in the Local Debt Service Reserve Fund to the Revenue Fund established under the Master Indenture. The Trustee shall notify VRA and the Local Government of the transfer within one Business Day of the transfer. Notwithstanding the foregoing, no such transfer from the Local Debt Service Reserve Fund shall relieve the Local Government of its obligation to make the payments of principal of or premium, if any, and interest on the Local Bond due under this Agreement.

(c) On each Local Reserve Fund Determination Date, or at any other time as may be requested by VRA or the Local Government, the Trustee shall determine if the balance on deposit in the Local Debt Service Reserve Fund is at least equal to the Local Reserve Requirement. In making such determination, the Trustee shall value securities in which money in the Local Debt Service Reserve Fund are invested at par; provided, however, any securities purchased at a purchase price of less than 98% of par or in excess of 102% of par shall be valued at fair market value.. If on any Local Reserve Fund Determination Date there exists a deficiency in the Local Debt Service Reserve Fund, the Trustee shall notify VRA and the Local Government of such fact and the amount of the deficiency within one Business Day of such determination, and, if such deficiency shall continue to exist, VRA's Executive Director shall notify the Local Government that an Event of Default has occurred pursuant to Section 10.1 of this Agreement. In determining whether a deficiency continues to exist, the Executive Director of VRA shall not take into account any deficiency resulting from the valuation by the Trustee of the obligations in the Local Debt Service Reserve Fund so long as the Local Government has not defaulted in making payments to replenish the Local Debt Service Reserve Fund under Section 6.1(a)(6).

(d) If on any Local Reserve Fund Determination Date there exists a surplus in the Local Debt Service Reserve Fund, the Trustee shall transfer such surplus to the Revenue Fund established under the Master Indenture and credit such transfer to the Local Government's next succeeding principal, premium, if any, or interest payments on the Local Bond; provided, however, that if on any Local Reserve Fund Determination Date there exists or will exist a surplus in the Local Debt Service Reserve Fund as the result of the payment at maturity or upon redemption, defeasance or prepayment under Section 6.2 of a portion of the Local Bond on or as of such Local Reserve Fund Determination Date, then the Trustee shall apply such surplus at the direction of the Local Government.

(e) The Local Government shall replenish the Local Debt Service Reserve Fund pursuant to Section 6.1(a)(6).

(f) Any amount held in the Local Debt Service Reserve Fund shall be invested and reinvested by the Trustee, at the request of and as directed in writing by a Local Representative, in (i) bills, notes and any other obligation or security issued or backed by the full faith and credit of the United States Treasury, (ii) bonds, notes and other obligations issued by any federal government agency or instrumentality or government sponsored enterprise except for collateralized mortgage obligations or (iii) investments provided under the Virginia SNAP. The final maturity of such securities shall not exceed a period of 10 years from the time of purchase or shall be subject to redemption at the option of the Trustee or the Local Government no later than 10 years from the time of purchase.

(g) The Trustee shall transfer any interest earned on the investment of money in the Local Debt Service Reserve Fund to the Local Government to the extent that such transfer will not cause the balance in the Local Debt Service Reserve Fund to be less than the Local Reserve Requirement.

## **ARTICLE VII OPERATION AND USE COVENANTS**

**Section 7.1 Maintenance.** At its own cost and expense the Local Government shall operate the System in a proper, sound and economical manner in compliance with all legal requirements and shall maintain the System in good repair and operating condition and from time to time shall make all necessary repairs, renewals and replacements.

**Section 7.2 Additions and Modifications.** At its own expense the Local Government from time to time may make any renewals, replacements, additions, modifications or improvements to the System that the Local Government deems desirable, provided that any such renewal, replacement, addition, modification or improvement does not (i) materially reduce the value of the System or (ii) negatively affect the structural or operational integrity of any part of the System. The Local Government shall ensure that all such renewals, replacements, additions, modifications or improvements comply with all applicable federal, state and local laws, rules, regulations, orders, permits, authorizations and requirements. All such renewals, replacements, additions, modifications and improvements shall become part of the System.

**Section 7.3 Permits.** The Local Government shall, at its sole cost and expense, obtain all permits, consents and approvals required by local, state or federal laws, ordinances, rules, regulations or requirements in connection with the acquisition, construction, equipping, occupation, operation or use of the System. The Local Government shall, upon request, promptly furnish to VRA and the Trustee copies of all such permits, consents and approvals.

**Section 7.4 Use.** The Local Government shall comply with all lawful requirements of any governmental authority regarding the System, whether now existing or subsequently enacted, whether foreseen or unforeseen or whether involving any change in governmental policy or requiring structural, operational or other changes to the System, irrespective of the cost of making the same.

**Section 7.5 Inspection and Local Government's Books and Records.** The Local Government shall permit VRA, the Trustee and their duly authorized representatives and agents such reasonable rights of access to the System as may be necessary to determine whether the Local Government is in compliance with the requirements of this Agreement, and the Local Government shall permit such parties, at all reasonable times and upon reasonable prior notice to the Local Government, to examine and copy the Local Government's books and records that relate to the System.

**Section 7.6 Ownership.** The Local Government shall not construct, reconstruct or install any part of the System on (i) lands other than those which the Local Government owns or can acquire title to or a perpetual easement over, in either case sufficient for the Local Government's purposes or (ii) lands in which the Local Government has acquired a right or interest less than a fee simple or perpetual easement, unless (1) such part of the System is lawfully located in a public street or highway or (2) the Local Government provides a written opinion of counsel or a report of a Qualified Independent Consultant, either of which in a form reasonably acceptable to VRA, that indicates that the lands and the Local Government's right or interest therein is sufficient for the Local Government's purposes

**Section 7.7 Sale or Encumbrance.** No part of the System shall be sold, exchanged, leased, mortgaged, encumbered or otherwise disposed of except (i) with the written consent of VRA or (ii) as provided in any one of the following subsections:

(a) The Local Government may grant easements, licenses, leases or permits across, over or under parts of the System for streets, roads and utilities as will not adversely affect the use or Revenues of the System.

(b) The Local Government may sell or otherwise dispose of property constituting part of the System if it uses the proceeds of such disposition and any other necessary funds to replace such property with property serving the same or a similar function.

(c) The Local Government may sell or otherwise dispose of property constituting part of the System with a "book value" (as determined in accordance with generally accepted accounting principles) that, when combined with the aggregate "book value" of all of the other such property sold or otherwise disposed of under this subsection during the Fiscal Year in question, will not cause the aggregate "book value" of all of such property sold or

otherwise disposed of under this subsection in such Fiscal Year to exceed \$125,000. The proceeds to be received from any such sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of or interest on the Local Bond.

(d) The Local Government may otherwise sell or dispose of property constituting part of the System if there is filed with VRA a certificate of the Consulting Engineer stating that such property is not necessary or useful to the operation of the System. The proceeds to be received from any such sale or disposition shall be applied first to cure any default that may exist in the payment of the principal of or interest on the Local Bond.

**Section 7.8 Collection of Revenues.** The Local Government shall use its best efforts to collect all rates, fees and other charges due to it, including, without limitation, the perfection of liens on premises served by the System for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Local Government shall, to the full extent permitted by law, prevent access to the services and facilities of the System to users, of the System who are delinquent beyond any customary grace periods in the payment of rates, fees and other charges due to the Local Government.

**Section 7.9 No Free Service.** Except as otherwise required by law or as described on Exhibit H, the Local Government shall not permit connection with or the use of the System, or furnish any services afforded by the System, without making a charge therefor based on the Local Government's uniform schedule of rates, fees and charges.

**Section 7.10 No Competing Service.** To the extent permitted by law, the Local Government agrees not to provide, grant any franchise to provide or give consent for anyone else to provide, any services which would compete with the System.

**Section 7.11 Mandatory Connection.** To the extent permitted by law, the Local Government shall adopt and enforce rules and regulations, consistent with applicable laws, requiring the owner, tenant or occupant of each lot or parcel of land which is served or may reasonably be served by the System and upon which lot or parcel a building shall have been constructed for residential, commercial or industrial use, to connect such building to the System, provided, however, that such rules and regulations may permit the continued use of private water or sewage disposal systems approved by the applicable board of health or health officer by any such building already in existence at the time the services of the System become available to it upon such conditions as may be specified in such rules and regulations or until such time as such approved private water or sewage disposal system shall cease to be approved or shall require major repairs to continue to be approved, at which time such building shall be required to connect to the System.

**Section 7.12 Lawful Charges.** The Local Government shall pay when due all taxes, fees, assessments, levies and other governmental charges of any kind whatsoever (collectively, the "Governmental Charges") which are (i) assessed, levied or imposed against the System or the Local Government's interest in it, or (ii) incurred in the operation, maintenance, use and occupancy of the System. The Local Government shall pay or cause to be discharged, or shall make adequate provision to pay or discharge, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon all or any part of the

System or the Revenues (collectively, the "Mechanics' Charges"). The Local Government, however, after giving VRA 10 days' notice of its intention to do so, at its own expense and in its own name, may contest in good faith any Governmental Charges or Mechanics' Charges. If such a contest occurs, the Local Government may permit the same to remain unpaid during the period of the contest and any subsequent appeal unless, in VRA's reasonable opinion, such action may impair the lien on Revenues granted by this Agreement, in which event, such Governmental Charges or Mechanics' Charges promptly shall be satisfied or secured by posting with the Trustee or an appropriate court a bond in form and amount satisfactory to VRA. Upon request, the Local Government shall furnish to VRA proof of payment of all Governmental Charges and Mechanics' Charges the Local Government is required to pay under this Agreement.

**Section 7.13 [Intentionally Omitted]**

**Section 7.14 Engineering Services.** The Local Government shall retain or employ a Consulting Engineer to provide engineering services covering the operation of the System.

**ARTICLE VIII  
INSURANCE, DAMAGE AND DESTRUCTION**

**Section 8.1 Insurance.** The Local Government shall maintain or cause to be maintained insurance against such risks as are customarily insured against by systems similar in size and character to the System, including, without limitation:

(a) Insurance in the amount of the full replacement cost of the System's insurable portions against loss or damage by fire and lightning, with broad form extended coverage endorsements covering damage by windstorm, explosion, aircraft, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered by such endorsements (limited only as may be provided in the standard form of such endorsements at the time in use in Virginia). The determination of replacement cost shall be made, in conjunction with representatives of the Local Government, by a recognized appraiser or insurer selected by the Local Government and reasonably acceptable to VRA.

(b) Comprehensive general liability insurance with a combined single limit of \$1,000,000 per year against liability for bodily injury, including death resulting therefrom, and for damage to property, including loss of its use, arising out of the ownership, maintenance, operation or use of the System.

(c) Unless the Local Government qualifies as a self-insurer under Virginia law, worker's compensation insurance.

Neither VRA nor the Trustee shall have any responsibility or obligation with respect to (i) the procurement or maintenance of insurance or the amounts or the provisions with respect to policies of insurance or (ii) the application of the proceeds of insurance.

The Local Government shall provide annually to VRA a certificate or certificates of the respective insurers evidencing the fact that the insurance required by this Section is in force and effect.



**Section 8.2    Requirements of Policies.** All insurance required by Section 8.1 shall be maintained with generally recognized responsible insurance companies selected by the Local Government and reasonably acceptable to VRA. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other utility systems of like size and character to the System. If any such insurance is not maintained with an insurer licensed to do business in Virginia or placed under the requirements of the Virginia Surplus Lines Insurance Law, Chapter 48, Title 38.2, Code of Virginia of 1950, as amended, or any successor statute, the Local Government shall provide evidence reasonably satisfactory to VRA that such insurance is enforceable under Virginia law.

In lieu of obtaining any of the policies of insurance required by Section 8.1, the Local Government may adopt alternative risk management programs which it determines to be reasonable, including, without limitation, to self-insure in whole or in part, individually or in connection with other units of local government or other institutions, to participate in programs of captive insurance companies, to participate with other units of local government or other institutions in mutual or other cooperative insurance or other risk management programs, to participate in State or Federal insurance programs, to take advantage of State or Federal laws now or hereafter in existing limiting liability, or to establish or participate in other alternative risk management programs, all as may be reasonable and appropriate risk management by the Local Government and that provide comparable coverages required by such sections. In addition, any insurance coverage pursuant to this Article may be pursuant to a program whereby the Local Government self-insures against certain losses up to a stated loss amount, and retains excess coverage from an insurer meeting the requirements of this Article.

Any self-insurance plan or alternative risk management program maintained by the Local Government with respect to the Improvements will be a Qualified Self-Insurance Plan. A "Qualified Self-Insurance Plan" means any plan or program of self-insurance regarding which the Local Government shall have received an opinion of an Insurance Consultant that the Local Government has established an adequate, actuarially sound program for the funding of reserves for such self-insurance. The Local Government agrees to comply with such program unless a change therein is recommended by the Insurance Consultant. The Local Government agrees to cause the Insurance Consultant to review any Qualified Self-Insurance Plan at least annually and to make written recommendations as to what funding levels are adequate to protect against the risks covered by the plan. The Local Government agrees to follow such recommendations.

**Section 8.3    Notice of Damage, Destruction or Condemnation.** In case of (i) any damage to or destruction of any material part of the System, (ii) a taking of all or any part the System or any right in it under the exercise of the power of eminent domain, (iii) any loss of the System because of failure of title or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Local Government shall notify VRA in writing within ten Business Days of the occurrence describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

**Section 8.4    Damage and Destruction.** If all or any part of the System is destroyed or damaged by fire or other casualty, and the Local Government shall not have exercised its option, if such option is available, to redeem the outstanding Local Bond pursuant to Section 6.2, the Local Government shall restore promptly the property damaged or destroyed to substantially the

same condition as before such damage or destruction, with such alterations and additions as the Local Government may determine and which will not impair the capacity or character of the System for the purposes for which it then is being used or is intended to be used. The Local Government may apply so much as may be necessary of the net proceeds of insurance received on account of any such damage or destruction to payment of the cost of such restoration, either on completion or as the work progresses. If such net proceeds are not sufficient to pay in full the cost of such restoration, the Local Government shall pay so much of the cost as may be in excess of such net proceeds.

**Section 8.5 Condemnation and Loss of Title.** If title to or the temporary use of all or any part of the System shall be taken under the exercise of the power of eminent domain or lost because of failure of title, and the Local Government shall not have exercised its option, if such option is available, to redeem the outstanding Local Bond pursuant to Section 6.2, the Local Government shall cause the net proceeds from any such condemnation award or from any title insurance to be applied to the restoration of the System to substantially its condition before the exercise of such power of eminent domain or failure of title. If such net proceeds are not sufficient to pay in full the cost of such restoration, the Local Government shall pay so much of the cost as may be in excess of such net proceeds.

## **ARTICLE IX SPECIAL COVENANTS**

**Section 9.1 Reserved.**

**Section 9.2 Maintenance of Existence.** The Local Government shall maintain its existence as a public body corporate and politic and a political subdivision of the Commonwealth under Virginia law, and shall not dissolve or otherwise dispose of all or substantially all of its assets or consolidate or merge with or into another entity without VRA's prior written consent, which consent will not be unreasonably withheld.

**Section 9.3 Financial Records and Statements.** The Local Government shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs. The Local Government shall have an annual audit of the financial condition of the Local Government made by an independent certified public accountant, within 180 days after the end of each Fiscal Year. The annual audit shall include a supplemental schedule demonstrating whether the Local Government satisfied the rate covenant set forth in Section 5.2. The Local Government shall furnish to VRA, in an electronic format, a copy of such report immediately after it is accepted by the Local Government. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the System's operations and changes in the financial position thereof for the Fiscal Year.

**Section 9.4 Certification as to No Default.** The Local Government shall deliver to VRA, within 180 days after the close of each Fiscal Year, a certification in substantially the form attached as Exhibit G and signed by a Local Representative.

**Section 9.5 Further Assurances.** The Local Government shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights and collateral, if any, assigned or pledged by this Agreement, or as may be required to carry out the purposes of this Agreement. The Local Government shall at all times, to the fullest extent permitted by law, defend, preserve and protect the pledges made under this Agreement and all rights of VRA under this Agreement against all claims and demands of all persons, including without limitation the payment of certain costs of VRA as described in Section 6.1(a)(5).

**Section 9.6 Assignment by Local Government.** The Local Government shall not assign its rights and obligations under the Local Bond or this Agreement, or both, without the prior written consent of VRA.

**Section 9.7 Continuing Disclosure.** (a) For purposes of this Section 9.7, the following terms and phrases have the following meanings:

**"Annual Financial Information"** with respect to any Fiscal Year for the Local Government means the following:

(i) the financial statements (consisting of at least a balance sheet and a statement of revenues and expenses) of the System, which financial statements must be (A) prepared annually in accordance with generally accepted accounting principles in effect from time to time consistently applied (provided that nothing in this clause (A) will prohibit the Local Government after the date of this Agreement from changing such other principles so as to comply with generally accepted accounting principles as then in effect or to comply with a change in applicable law) and (B) audited by an independent certified public accountant or firm of such accountants in accordance with generally accepted auditing standards as in effect from time to time (provided that if audited financial statements are not available for filing when required by this Section or the Rule (as defined herein), unaudited financial statements will be filed and audited financial statements will be filed as soon as possible thereafter); and

(ii) operating data of the type set forth in Exhibit E.

**"Dissemination Agent"** means any person, reasonably acceptable to VRA, whom the Local Government contracts in writing to perform its obligations as provided in subsection (i) of this Section.

**"Financial Obligation"** means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term Financial Obligation does not include municipal securities as to which a final official statement has been otherwise provide to the MSRB under the Rule.

**"Make Public" or "Made Public"** has the meaning set forth in subsection (c) of this Section.

**"Material Local Government"** means the Local Government if the aggregate outstanding principal amount of the Local Bond and any other of the Local Government's local bonds purchased with proceeds of the VRA Bonds represent 15% or more of the outstanding aggregate principal amount of the local bonds purchased with proceeds of the VRA Bonds.

**"Rule"** means Rule 15c2-12, as it may be amended from time to time, under the Securities Exchange Act of 1934 and any similar rules of the SEC relating to disclosure requirements in the offering and sale of municipal securities, all as in effect from time to time.

**"SEC"** means the U.S. Securities and Exchange Commission.

(b) The Local Government shall Make Public or cause to be Made Public:

(1) Within seven months after the end of the Local Government's Fiscal Year (commencing with the Fiscal Year in which the Closing Date occurs), Annual Financial Information for such Fiscal Year as of the end of which the Local Government constitutes a Material Local Government. Annual Financial Information may be set forth in the documents Made Public or may be included in a document Made Public by specific reference to any document available to the public on the internet website of the Municipal Securities Rulemaking Board ("MSRB") or filed with the SEC. If the document referred to is a final official statement, then it must be available from the MSRB.

(2) In a timely manner, notice of any failure by the Local Government to Make Public or cause to be Made Public Annual Financial Information pursuant to the terms of part (1) of this subsection.

(c) For purposes of this Section, information and notices shall be deemed to have been "Made Public" if transmitted to VRA, to the Trustee and to the MSRB in an electronic format as prescribed by the MSRB.

(d) The Local Government shall also notify VRA of the occurrence of any of the following events that may from time to time occur with respect to the Local Bond, such notice to be given in a timely manner not in excess of five Business Days after the occurrence of the event:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancement maintained with respect to the Local Bond reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 – TEB) or other notices or determinations with respect to the Local Bond that could affect the tax status of the Related Series of VRA Bonds, or other events with respect to the Local Bond that could affect the tax status of the Related Series of VRA Bonds;

(7) modifications to rights of holders;

(8) bond calls and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the Local Bond;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Local Government;

(13) the consummation of a merger, consolidation, or acquisition involving the Local Government or the sale of all or substantially all of the assets of the Local Government, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms;

(14) appointment of a successor or additional trustee for the Local Bond, if any, or the change of name of a trustee;

(15) the failure of the Local Government on or before the date required by this Agreement to provide Annual Financial Information to the persons and in the manner required by this Agreement;

(16) incurrence of a Financial Obligation of the Local Government, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Local Government, any of which affect security holders, if material; and

(17) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Local Government, any of which reflect financial difficulties.

(e) Additionally, upon request of VRA, the Local Government shall certify in writing that it has made all filings and disclosures required under this Section or any similar undertaking pursuant to the Rule.

(f) Notwithstanding anything in this Agreement to the contrary, the Local Government need not comply with the provisions of subsections (a) through (d) unless or until

VRA has notified the Local Government that it satisfied the objective criteria for a Material Local Government as of the end of VRA's immediately preceding fiscal year. As of the Closing Date the Local Government's Fiscal Year and VRA's fiscal year are the same.

(g) (1) If the Local Government fails to comply with any covenant or obligation set forth in this Section, any holder (within the meaning of the Rule) of VRA Bonds then Outstanding may, by notice to the Local Government, proceed to protect and enforce its rights and the rights of the other holders by an action for specific performance of the Local Government's covenants or obligations set forth in this Section.

(2) Notwithstanding anything herein to the contrary, any failure of the Local Government to comply with any disclosure obligation specified in this Agreement (i) shall not be deemed to constitute an Event of Default under this Agreement and (ii) shall not give rise to any right or remedy other than that described in part (1) of this subsection.

(h) The Local Government may from time to time disclose certain information and data in addition to that required under this Section. Notwithstanding anything in this Agreement to the contrary, the Local Government shall not incur any obligation to continue to provide, or to update, such additional information or data.

(i) The Local Government may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligation to cause to be Made Public the information described in this Section and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. It is not necessary for purposes of this Article that the Dissemination Agent have any agency relationship with the Local Government for purposes of state law.

(j) All documents Made Public under this Section shall be accompanied by identifying information as prescribed by the MSRB.

**Section 9.8 Other Indebtedness.** The Local Government shall pay when due all amounts required by any other indebtedness of the Local Government and perform all of its obligations in connection with all other indebtedness of the Local Government.

**Section 9.9 Additional Indebtedness.** The Local Government shall not incur any indebtedness or issue any bonds, notes or other evidences of indebtedness secured by a pledge of Revenues, except Parity Bonds or Subordinate Debt issued in accordance with the terms and conditions of this Section 9.9.

(a) The Local Government may issue Parity Bonds to (i) pay the cost of the acquisition or construction of improvements, extensions, additions or replacements to equipment or betterments of and any property, rights or easements deemed by the Local Government to be necessary, useful or convenient for the System or to refund Subordinate Debt, (ii) refund some or all of the Local Bond (subject to the conditions of Section 6.2) or any other Parity Bond or (iii) effect some combination of (i) and (ii), provided in each case the following conditions are satisfied. Before any Parity Bond is issued or delivered, the Local Government shall deliver to

VRA the following in form and substance satisfactory to VRA and dated as of the date of issuance of such Parity Bond:

(1) Certified copies of all resolutions and ordinances of the Local Government authorizing the issuance of the Parity Bond.

(2) A certificate of a Local Representative setting forth the purposes for which the Local Government is issuing the Parity Bond and the manner in which the Local Government will apply the proceeds from the issuance and sale of the Parity Bond.

(3) If the Parity Bond is authorized for any purpose other than the refunding of the Local Bond or other Parity Bond, a certificate including supporting documentation of a Qualified Independent Consultant to the effect that (i) the improvements or property which the proceeds from the issuance of the Parity Bond will finance or refinance will be a part of, or are necessary, useful or convenient for, the System, (ii) the funds available to the Local Government from the issuance of the Parity Bond and other specified sources will be sufficient to pay the estimated cost of such improvements or property (or refinancing the same), (iii) the period of time which will be required to complete such improvements or property, and (iv) (A) the failure to make such improvements or acquire or construct such property will result in an interruption or reduction, or the continuance of an interruption or reduction, of Revenues, or (B) during the first two complete Fiscal Years following the completion of the improvements or the acquisition or construction of the property (or refinancing the same), the projected Net Revenues Available for Debt Service will satisfy the rate covenant of Section 5.2 (excluding any amounts provided under certain support agreements between the Local Government and Greenville County. In providing this certificate, the Qualified Independent Consultant may take into consideration future System rate increases, provided that such rate increases have been duly approved by the Local Government's governing body and any other person and entity required to give approval for the rate increase to become effective. In addition, the Qualified Independent Consultant may take into consideration additional future Revenues to be derived under then existing contractual agreements entered into by the Local Government and from reasonable estimates of growth in the Local Government's customer base. In providing the certification in subsection (iv)(B) above, the Qualified Independent Consultant shall include supporting documentation.

(4) If the Parity Bond is authorized solely to refund any Local Bond or other Parity Bonds either (i) a certificate or report of a Qualified Independent Consultant that the refunding Parity Bond will have annual debt service requirements in each of the years the Local Bond or the other Parity Bonds to be refunded (the "Refunded Bonds") would have been outstanding that is lower than the annual debt service requirements in each such year on the Refunded Bonds, or (ii) a certificate of a Qualified Independent Consultant to the effect that in its opinion, during the first two complete Fiscal Years following the issuance of the refunding Parity Bond, the projected Net Revenues Available for Debt Service will satisfy the rate covenant of Section 5.2. In providing the certificate described in clause (ii), the Qualified Independent Consultant may take into

account the positive factors described in the last two sentences of subsection (a)(3) of this Section.

(5) If requested by VRA, an opinion of a nationally-recognized bond counsel, subject to customary exceptions and qualifications, approving the form of the resolution authorizing the issuance of the Parity Bond and stating that its terms and provisions conform with the requirements of this Agreement, that the certificates and documents delivered to VRA constitute compliance with the provisions of this Section, and that the issuance of the Parity Bond will have no adverse effect on the exclusion of the interest on the Related Series of VRA Bonds from gross income for federal income tax purposes and not cause interest on the Related Series of VRA Bonds to become a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

(b) If the Local Government is unable or unwilling to satisfy the conditions set forth in subsection (b) to the issuance and delivery of any issue of Parity Bonds, VRA may determine, in its sole discretion, to waive any or all of such conditions.

**Section 9.10 Litigation; Material Change.** The Local Government shall promptly notify VRA of (i) the existence and status of any litigation that the general counsel to the Local Government determines is not reasonably certain to have a favorable outcome and which individually or in the aggregate could have a material adverse effect on the financial condition or operations of the System or its ability to perform its payment and other obligations under this Agreement or the Local Bond or (ii) any change in any material fact or circumstance represented or warranted in this Agreement.

## **ARTICLE X DEFAULTS AND REMEDIES**

**Section 10.1 Events of Default.** Each of the following events is an "Event of Default":

(a) The failure to pay any installment of principal of or premium, if any, on the Local Bond when due (whether at maturity, by mandatory or optional redemption, by acceleration or otherwise).

(b) The failure to pay any installment of interest (including Supplemental Interest) on the Local Bond when due.

(c) The failure to make any other payment or deposit required by this Agreement within 15 days after its due date.

(d) The Local Government's failure to perform or observe any of the other covenants, agreements or conditions of the Local Bond or this Agreement and the continuation of such failure for a period of 60 days after written notice specifying such failure and requesting that it be cured is given to the Local Government by VRA, or, in the case of any such failure which cannot with diligence be cured within such 60-day period, the Local Government's failure to proceed promptly to commence to cure the failure and thereafter to prosecute the curing of the failure with diligence.



(e) Any warranty, representation or other statement by or on behalf of the Local Government contained in this Agreement or in any instrument furnished in compliance with or in reference to this Agreement or in connection with the issuance and sale of the Local Bond is false and misleading in any material respect.

(f) Any bankruptcy, insolvency or other similar proceeding shall be instituted by or against the Local Government under any federal or state bankruptcy or insolvency law and, if instituted against the Local Government, is not dismissed within 60 days after filing.

(g) Any proceeding shall be instituted, with the Local Government's consent or acquiescence, for the purpose of effecting a composition between the Local Government and its creditors or for the purpose of adjusting such creditors' claims under any federal or state statute now or hereafter enacted, if such claims are under any circumstances payable from the Revenues.

(h) An order or decree shall be entered, with the Local Government's consent or acquiescence, appointing a receiver or receivers of the System or any part of it or of the Revenues, or if such order or decree, having been entered without the Local Government's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within 60 days after its entry.

(i) The occurrence of a default by the Local Government under the terms of any debt secured by a pledge of Revenues and the failure to cure such default or obtain a waiver thereof within any period of time permitted thereunder.

**Section 10.2 Acceleration.** Upon the occurrence and continuation of an Event of Default, VRA may, by notice in writing delivered to the Local Government, declare the entire unpaid principal of and interest on the Local Bond due and payable. Upon any such declaration, the Local Government shall immediately pay to the Trustee the entire unpaid principal of and accrued interest on the Local Bond, but only from the collateral and other funds specifically pledged hereby. VRA may in its discretion waive an Event of Default and its consequences and rescind any acceleration of maturity of principal of and interest on the Local Bond.

**Section 10.3 Other Remedies.** Upon the occurrence and continuation of an Event of Default, VRA may proceed to protect and enforce its rights by mandamus or other action, suit or proceeding at law or in equity for specific performance of any agreement contained in the Local Bond or this Agreement. No remedy conferred by this Agreement upon or reserved to the registered owners of the Local Bond is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to VRA under this Agreement or now or hereafter existing at law or in equity or by statute.

**Section 10.4 Delay and Waiver.** No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence in it, and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default under this Agreement shall extend to or

shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent to it.

## **ARTICLE XI MISCELLANEOUS**

### **Section 11.1 [Reserved]**

**Section 11.2 Successors and Assigns.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 11.3 Amendments.** VRA and the Local Government shall have the right to amend from time to time any of this Agreement's terms and conditions, provided that all amendments shall be in writing and shall be signed by or on behalf of VRA and the Local Government.

**Section 11.4 Limitation of Local Government's Liability.** Notwithstanding anything in the Local Bond or this Agreement to the contrary, the Local Government's obligations hereunder and under the Local Bond are not its general obligations, but are limited obligations payable solely from the Revenues which are specifically pledged for such purpose. Neither the Local Bond nor this Agreement shall be deemed to create or constitute a debt or a pledge of the faith and credit of the Local Government and the Local Government shall not be obligated to pay the principal of or premium, if any, or interest on the Local Bond or other costs incident to them except from the Revenues and other funds pledged for such purpose. In the absence of fraud or intentional misconduct, no present or future director, official, officer, employee or agent of the Local Government shall be liable personally to VRA in respect of this Agreement or the Local Bond or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Local Bond.

**Section 11.5 Applicable Law.** This Agreement shall be governed by Virginia law.

**Section 11.6 Severability.** If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of VRA and the Local Government, as the case may be, only to the extent permitted by law.

**Section 11.7 Notices.** Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Local Bond or this Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Local Government, at the address specified for notices on the signature page; (b) if to VRA, at 1111 East Main Street, Suite 1920, Richmond, Virginia 23219, Attention: Executive Director; or (c) if to the Trustee, at Three James Center, 1051 East Cary Street, Suite 600, Richmond, Virginia 23219, Attention: Corporate Trust Department. A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this

Section shall also be given to each of the other parties named. VRA, the Local Government and the Trustee may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

**Section 11.8 Right to Cure Default.** If the Local Government fails to make any payment or to perform any act required by it under the Local Bond or this Agreement, VRA or the Trustee, without prior notice to or demand upon the Local Government and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by VRA or the Trustee and all costs, fees and expenses so incurred shall be payable by the Local Government as an additional obligation under this Agreement, together with interest thereon at the rate of 15% per year until paid. The Local Government's obligation under this Section shall survive the payment of the Local Bond.

**Section 11.9 Term of Agreement.** This Agreement is effective as of the Effective Date. Except as otherwise specified, the Local Government's obligations under the Local Bond and this Agreement shall expire upon payment in full of the Local Bond and all other amounts payable by the Local Government under this Agreement.

**Section 11.10 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[Signature Pages Follow]

**WITNESS** the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY**

By: \_\_\_\_\_  
Stephanie L. Hamlett, Executive Director

**GREENSVILLE COUNTY WATER AND  
SEWER AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairman

Address for Notices:

Greensville County Water and Sewer Authority  
1781 Greensville County Circle  
Emporia, Virginia 23847  
Attention: Chairman

The Trustee, by the execution hereof, accepts the duties imposed on it by this Agreement.

**U.S. BANK NATIONAL ASSOCIATION**, as  
Trustee

By: \_\_\_\_\_  
Monique L. Green, Vice President

**EXHIBIT A**  
**FORM OF LOCAL BOND**

[To be provided]

## **EXHIBIT B**

### **DESCRIPTION OF THE PROJECT**

The refinancing of all or a portion of the Local Government's 2014 Local Bond and related local costs of issuance.

The 2014 Local Bond was originally issued to finance the (i) acquisition of land for the construction of a raw water reservoir, new intake and pump station on the Nottoway River, (ii) improvements to the pump station and sludge dewatering system at Jarratt Water Treatment Plant, (iii) replacement of the pump station at High Hills, (iv) replacement of the control panel at Falling Run Wastewater Treatment Plant, (v) upgrades to various manholes, (vi) connection of Well #4, (vii) acquisition of various equipment, and (viii) other related and ancillary improvements to facilities of the water and wastewater system, the refunding of the outstanding balance of its \$515,000 Water and Sewer System Revenue Bond, Series of 2004, the funding of a debt service reserve fund and the payment of related costs in connection with such financing.



**EXHIBIT C**

**PENDING OR THREATENED ACTIONS, SUITS, PROCEEDINGS, OR  
INVESTIGATIONS**

[To be provided]

**EXHIBIT D**  
**FORM OF REQUISITION**

Requisition No.

Date:

U.S. Bank National Association, as Trustee  
Attention: Corporate Trust Department  
Three James Center  
1051 E. Cary Street  
Suite 600  
Richmond, Virginia 23219

Virginia Resources Authority  
1111 East Main Street  
Suite 1920  
Richmond, Virginia 23219  
Attention: Executive Director

This Requisition, including Schedule 1 and Schedule 2 hereto, is submitted in connection with the Local Bond Sale and Financing Agreement dated as of October 4, 2021 (the "Financing Agreement") between the Virginia Resources Authority and the Greensville County Water and Sewer Authority (the "Local Government"). Unless otherwise defined in this Requisition, each capitalized term used herein has the meaning given it under Article I of the Financing Agreement. The undersigned Local Representative hereby requests payment of the following amounts from the Local Account established for the Local Government in the 2021C Acquisition Fund established under the Fifty-Second Supplemental Series Indenture.

Payee (including wiring instructions if receiving electronic payment):

Address:

Amount to be paid:

Purpose (in reasonable detail) for which obligations(s) to be paid were incurred:

Attached on Schedule 2 are the wire instructions for this requisition, and also attached hereto is an invoice (or invoices) relating to the items for which payment is requested.

The undersigned certifies that the amounts requested by this Requisition will be applied solely and exclusively to the payment, or the reimbursement of the Local Government for its payment, of Project Costs.

**The Local Government has agreed in the Financing Agreement that any amounts it receives pursuant to this Requisition will be (i) immediately applied to reimburse the Local Government for Project Costs it has already paid or (ii) actually spent to pay Project Costs not later than five banking days after receipt.**

---

Local Representative

# SCHEDULE 1

## Form to Accompany Requisition

Requisition # \_\_\_\_\_

Recipient: \_\_\_\_\_ Greenville County Water and Sewer Authority – VRA 2021C

Local Representative: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

<u>Cost Category</u>	<u>Total Project Cost</u>	<u>Previous Disbursements</u>	<u>Disbursement This Period</u>	<u>Disbursements to Date</u>	<u>Remaining Balance</u>
	\$	\$	\$	\$	\$
TOTALS	\$	\$	\$	\$	\$

## SCHEDULE 2

### Wire Instructions for Requisition

[To be provided by the Local Government]

## **EXHIBIT E**

### **OPERATING DATA**

*Description of Local Government.* A description of the Local Government including a summary description of the System.

*Debt.* A description of the terms of the Local Government's outstanding debt including a historical summary of outstanding debt and a summary of annual debt service on outstanding debt as of the end of the preceding fiscal year. The annual disclosure should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Local Government and any unfunded pension liabilities.

*Financial Information and Operating Data.* Financial information for the System as of the end of the preceding fiscal year, including a description of revenues and expenditures, largest users, a summary of rates, fees and other charges of the System, and a historical summary of debt service coverage.

**EXHIBIT F**

**FORM OF OPINION OF COUNSEL TO THE LOCAL GOVERNMENT**

[Print on the Letterhead of Counsel for the Local Government]

November 17, 2021

Board of Directors  
Greensville County Water and Sewer Authority

Virginia Resources Authority  
Richmond, Virginia

\$[\_\_\_\_\_]   
**Greensville County Water and Sewer Authority**  
**Taxable Water and Sewer System Revenue Refunding Bond, Series 2021**

Ladies and Gentlemen:

We have acted as counsel to the Greensville County Water and Sewer Authority (the "Local Government"), in connection with the issuance and sale by the Local Government of its \$[\_\_\_\_\_] Taxable Water and Sewer System Revenue Refunding Bond, Series 2021 (the "Local Bond"), the net proceeds of which will be applied to finance the Project (as defined in the hereafter defined Financing Agreement) and in such capacity, we have examined, among other things, the following documents:

- (a) a certified copy of the Local Authorization, authorizing the issuance and sale of the Local Bond to Virginia Resources Authority ("VRA") to finance the Project; and
- (b) a copy of the Local Bond Sale and Financing Agreement (the "Financing Agreement") dated as of October 4, 2021, and between the Local Government and VRA.

We have also been provided such other records and proceedings of the Local Government and conducted such investigations as we deemed appropriate and necessary for purposes of this opinion.

Unless otherwise defined, each capitalized term used in this opinion has the same meaning given to such term in the Financing Agreement.

As to questions of fact material to the opinions and statements set forth herein, we have relied upon representations of the Local Government set forth in this Agreement and other certificates and representations by persons including representatives of the Local Government.

Whenever an opinion or statement set forth herein with respect to the existence or absence of facts is qualified by the phrase "to the best of our knowledge and belief" or a phrase of similar import, it is intended to indicate that during the course of our representation of the Local Government in connection with this Agreement no information has come to our attention that should give us current actual knowledge of the existence or absence of such facts. Except to the extent expressly set forth herein, we have not undertaken any independent investigation of the existence or absence of such facts, and no inference as to our knowledge or the existence or absence of such facts should be drawn from the fact of our representation or any other matter.

Based upon such examination and assuming the authorization, execution, delivery and enforceability of all documents by parties other than the Local Government, we are of the opinion that:

1. The Local Government is a duly created and validly existing public body corporate and politic and a political subdivision of the Commonwealth of Virginia and is vested with the rights and powers conferred upon it by Virginia law.
2. The Local Government has full right, power and authority to (i) adopt the Local Authorization and execute and deliver this Agreement and all related documents, (ii) undertake the Project and (iii) carry out and consummate all of the transactions contemplated by the Local Authorization and this Agreement, including owning and operating the System.
3. This Agreement were duly authorized by the Local Authorization and the Financing Agreement is in substantially the same form as presented to the Governing Body at its meeting at which the Local Authorization was adopted.
4. This Agreement have been executed and delivered by duly authorized officials of the Local Government. The Local Bond has been executed and delivered by duly authorized officials of the Local Government.
5. The issuance of the Local Bond and the execution and delivery of this Agreement and the performance by the Local Government of its obligations thereunder are within the powers of the Local Government and will not conflict with, or constitute a breach or result in a violation of (i) any federal or Virginia constitutional or statutory provision, (ii) to the best of our knowledge and belief, any agreement or other instrument to which the Local Government is a party or by which it is bound or (iii) any order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Local Government or its property.
6. The Local Government, to the best of our knowledge and belief, is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness for borrowed money has been incurred. To the best of our knowledge and belief, no event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including but not limited to the Financing Agreement, which constitutes, or which, with notice or lapse of time, or both, would constitute an event of default thereunder.



7. The Local Government (i) to the best of our knowledge and belief, is not in violation of any existing law, rule or regulation applicable to it in any way which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond or this Agreement and (ii) is not in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Local Government is a party or by which it is bound or to which any of its assets is subject, which would have a material adverse effect on its financial condition or its ability to perform its obligations under the Local Bond and this Agreement. The execution and delivery by the Local Government of the Local Bond and this Agreement and the compliance with the terms and conditions thereof will not conflict with, result in a breach of or constitute a default under any of the foregoing.

8. Except as set forth in the Financing Agreement, there are not pending nor, to the best of our knowledge and belief, threatened against the Local Government, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature (i) affecting the creation, organization or existence of the Local Government or the title of its officers to their respective offices, (ii) seeking to prohibit, restrain or enjoin the approval, execution, delivery or performance of the Local Authorization or this Agreement or the issuance or delivery of the Local Bond, (iii) in any way contesting or affecting the validity or enforceability of the Local Bond, the Local Authorization, this Agreement or any agreement or instrument relating to any of the foregoing, (iv) in which a judgment, order or resolution may have a material adverse effect on the Local Government or its business, assets, condition (financial or otherwise), operations or prospects or on its ability to perform its obligations under the Local Authorization, this Agreement or the Local Bond, or (v) affecting the undertaking of the Project.

This opinion has been prepared solely for your benefit as addressees. Without prior written consent, this opinion may not be quoted in whole or in part or otherwise be referred to, filed with or furnished to (except in connection with any federal agency examination, audit by independent public accountants or review by agencies, if any, providing ratings on the Local Bond or the VRA Bonds) any governmental agency or other person or entity.

We assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion letter, or if after the date of this opinion letter we become aware of any facts that might change the opinions expressed above.

Very truly yours,

## EXHIBIT G

### FORM OF CERTIFICATION AS TO NO DEFAULT

[DATE]

[Insert Name]  
Compliance & Financial Analyst  
Virginia Resources Authority  
1111 East Main Street, Suite 1920  
Richmond, VA 23219

Dear [Mr./Ms.] \_\_\_\_\_:

In accordance with Section 9.4 of the Local Bond Sale and Financing Agreement dated as of October 4, 2021 (the "Financing Agreement") between Virginia Resources Authority and the Greensville County Water and Sewer Authority (the "Local Government"), I hereby certify that, during the fiscal year that ended June 30, \_\_\_\_\_, and through the date of this letter:

1. [No event or condition has happened or existed, or is happening or existing, which constitutes, or which, with notice or lapse of time, or both, would constitute, an Event of Default as defined in Section 10.1 of the Financing Agreement.] [If an Event of Default has occurred, please specify the nature and period of such Event of Default and what action the Local Government has taken, is taking or proposes to take to rectify it].
2. [The ownership and status of all or a portion of the Related Financed Property has not changed since the Closing Date.] [If untrue, please describe.]

Sincerely,

[Insert Name]  
Local Representative

**EXHIBIT H**  
**DESCRIPTION OF SPECIAL USE ARRANGEMENTS**

[To be provided]

**EXHIBIT I**  
**FORM OF ANNUAL BUDGET**

[DATE]

Executive Director  
Virginia Resources Authority  
1111 East Main Street, Suite 1920  
Richmond, VA 23219

Ladies and Gentlemen:

Pursuant to the Financing Agreement[s] between Virginia Resources Authority and the [Local Government], dated as of [add dates of all outstanding Financing Agreements], a copy of the fiscal year [20xx] annual budget is enclosed. Such annual budget provides for the satisfaction of the rate covenant as demonstrated below.

Revenues	Operation & Maintenance Expenses	Net Revenues Available for Debt Service	Debt Service	*Coverage
		(Revenues – O&M Expenses)		(Net Revenues Available for Debt Service/Debt Service)

Unless otherwise defined herein, the capitalized terms used in this Certificate shall have the meanings set forth in the Financing Agreement.

Very truly yours,

By: \_\_\_\_\_

Its: \_\_\_\_\_

## **EXHIBIT J**

### **EXISTING PARITY BONDS**

\$235,619 Water and Sewer System Revenue Bond, Series 2003

\$4,435,000 Water and Sewer System Revenue Refunding Bond, Series 2010

\$1,640,000 Water and Sewer System Revenue Bond, Series of 2011

\$2,540,000 Water and Sewer System Revenue and Refunding Bond, Series 2014

\$2,025,000 Water and Sewer System Revenue Bond, Series 2016A

\$9,800,000 Water Revenue Bond, Series 2018A

\$6,790,000 Water and Sewer System Revenue Bond, Series 2019A

\$7,000,000 Water Revenue Bond, Series 2020A

\$3,620,000 Water and Sewer System Revenue Refunding Bond, Series 2020B

## **SCHEDULE 1.1**

### **FINAL TERMS**

[To be provided]

**ADDITIONAL CONDITIONS PRECEDENT TO PURCHASE OF LOCAL BOND:**

[To be provided]

**ADDITIONAL CONDITIONS PRECEDENT TO FIRST REQUISITION OF PROCEEDS  
OF LOCAL BOND:**

[To be provided]

## **PROJECT BUDGET**

[To be provided]



## **INTEREST RATES AND PAYMENT SCHEDULE FOR LOCAL BOND**

[To be provided]